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APEC Finance Ministers Meet in Bali 15-16 Apr

Indonesian, Thai Officials Cited

BK1504091395 Hong Kong AFP in English 0803 GMT 15 Apr 95

[By Bhimanto Suwastoyo]

[FBIS Transcribed Text] Sanur, Indonesia, April 15 (AFP)—The surging yen and Japan's efforts to slow its economy kept officials busy at the sidelines of an Asia-Pacific Economic Cooperation (APEC) finance ministers' meeting to open here later Saturday.

"It is definitely an important issue that needs to be discussed," Dahlan Sutalaksana, assistant to Indonesian Finance Minister Mar'ie Muhammad, told AFP on Saturday.

Sutalaksana said although the central Bank of Japan's move to cut its discount rate by 0.75 percentage points to a record low of one percent on Friday was not on the official agenda, it was being discussed among delegations from the forum's 18 member countries.

"It is a good thing to stimulate Japan's economy," said Hellen Cutts, a policy advisor at the Canadian department of finance, referring to the Japanese package which also included a commitment to speeding up deregulation.

Thai Finance Minister Tharin Nimmanhemin also told AFP that Bangkok welcomed the Japanese package as "very positive" saying it would lead to less volatility in the currency market.

Although Canada was in support of such a move, Cutts added: "We would also hope that they would do a few more structural measures to address the current account surplus and to encourage more domestic consumption."

She said Tokyo should also make sure it does not introduce new sales taxes, but instead use deficit-financing to pay the bill.

Sutalaksana echoed Cutts' comments saying that other factors also accounted for the appreciation of the yen and that these aspects should be dealt with. He added that more was needed to reduce the attractiveness of the yen as an investment and speculative tool without elaborating. He said other Tokyo moves should follow because the yen's rise was not only hurting the economies of developing countries "but it will be killing Japan itself."

Singaporean Finance Minister Richard Hu Tsu Tau on Friday had hailed the Japanese package as a "big move," but added that more measures were still needed.

A study of nine Asian economies by US investment house Salomon Brothers released last week said the stronger yen could lead to deterioration of bilateral trade balances, with Indonesia and Thailand the worst hit.

Some 40 percent of Indonesia's 100 billion dollar foreign debt is yen-@denominated and officials have said that for every one percent appreciation of the yen over the dollar, debt obligation rises another 350 million dollars.

The yen has appreciated by 14.5 percent against the Indonesian rupiah and 12 percent against the Thai baht between January and March, the study said.

APEC finance ministers gathering here at the weekend would discuss regional capital flows, infrastructure financing in member countries and the impact of exchange rate fluctuations on trade and investment.

Indonesian Vice-President Try Sutrisno is to open the meeting at a posh state-owned hotel here later Saturday, despite earlier plans for President Suharto to open it.

The ministers are expected to issue a joint statement Sunday and field questions at a news conference.

APEC groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

The meeting is the second since a similar gathering in Hawaii in March last year.

Thai Minister on Yen Surge

BK1504094395 Hong Kong AFP in English 0918 GMT 15 Apr 95

[FBIS Transcribed Text] SANUR, Indonesia, April 15 (AFP)—Contrary to analysts concerns that Thailand may be one of the losers after the yen's recent surge, its finance minister said Saturday there were medium-term benefits to be had and played down his country's high exposure to yen loans.

Tharin Nimmanhemin who is attending the finance ministers' meeting here of the Asia-Pacific Economic Cooperation (APEC) forum, told AFP that most of Thailand's private debt was in US dollars and the greenback's depreciation "is beneficial to private borrowers."

He added that government debt, which principally accounts for Thailand's yen exposure, was three percent of gross domestic product (GDP), excluding state-owned enterprises.

Investment house Salomon Brothers noted in a recent report that Thailand topped the list in Asia for the percentage of yen- denominated loans—52 percent of the total in 1993—but its external debt service ratio was a low nine percent.

Between January and March, the yen appreciated 12 percent against the Thai baht, and Salomon Brothers said that could lead to some deterioration of Thailand's trade balance. But Tharin said Thailand's international reserves were increasingly in yen and "very significantly we have also bought a lot of yen assets outside of reserves."

He said the direct impact of the dollar's depreciation against the yen—15 percent since January—was on the trade side.

"It would be very positive for Thailand because our exports would be helped by the depreciation of the baht against the yen in the market," Tharin said.

"On the cost side, certain raw materials would suffer cost squeezes. But we would gain from oil imports and other imports of raw materials sourcing our industries," he said. "So overall, net balance of trade we believe that in the medium term would become very positive."

Tharin said that a positive feature would be the "relocation of industries from stronger currency countries into slightly weaker but stable ones."

"Thailand should be one of the very top candidates," he said.

Indonesian Vice President Opens Meeting

BK1504151795 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 15 Apr 95

[FBIS Translated Text] A successful development program should give priority to upgrading rural areas and improving the living standards of the people by increasing their income. This is reflected in Indonesia's efforts to develop its economy and bring progress to all fields.

Vice President Try Sutrisno said this when he opened the APEC finance ministers meeting in Bali this afternoon.

He said that one of the strategic measures for [words indistinct] is to adopt an open attitude toward international trade and financial markets.

[Begin Try recording] One of the main functions of this meeting is to seek new measures for ensuring stability in international financial markets so that trade and investment can be increased in the Asia-Pacific region in particular and in the world in general. The developing economies in Asian countries will need an investment fund of more than US$1 trillion throughout the next decade. National resources and bilateral and multilateral aid can supplement some of the needs, but a bigger amount of fund should come from the international money markets in the form of investment and credit. However, efforts have to be made not to allow the capital inflow to upset the stability of the monetary system that has been set up. [end recording]

ROK Minister on Investment Ceiling

SK1504140295 Seoul YONHAP in English 1314 GMT 15 Apr 95

[FBIS Transcribed Text] Seoul, April 15 (YONHAP)—Steps to expand stock investment ceiling for foreigners are expected to be taken in the third quarter this year at the latest.

"The stock investment ceiling for foreigners will be raised from 12 percent per item to 15 percent," Hong Chae-hyong, deputy prime minister and finance-economy minister, said Saturday in his keynote speech at the finance ministers' meeting of the Asia-Pacific Economic Cooperation (APEC) in Bali, Indonesia.

The Finance-Economy Ministry had originally planned to enforce the measures around the end of the year.

"We don't need to delay the plan anymore, given the gradual reducement of foreign stock investments, deterioration of domestic current account and difficulties in securing fund in the international money market," said a ministry official, who added the ministry would advance the date for the execution of the blueprint.

Opening Day Events Reviewed

BK1604113295 Bangkok THAILAND TIMES in English 16 Apr 95 p A1

[Report by Chuchat Kangwan]

[FBIS Transcribed Text] Sanur, Indonesia—Asia-Pacific finance ministers gathered in Bali yesterday to discuss strategies to handle new realities of the world's money markets—from Mexico's dramatic collapse to Japan's soaring yen.

The talks kicked off with an inaugural meeting of financiers from the 18 member economies of the Asia-Pacific Economic Cooperation (APEC). They issued recommendations designed to improve capital flow for infrastructure development.

These recommendations will be discussed today at a one-day meeting of finance ministers—including those from the United States and Japan—who have made it clear they also intend to pursue more pressing bilateral trade and currency issues.

"I don't believe the (world) open market system can function the way it should when the second largest economy in the world has substantially less access to it than the other major trading nations," US Treasury Secretary Robert Rubin said of Japan before arriving here early yesterday.

The yen's rise, to close the week slightly above 83 to the dollar, has prompted Japan to issue a package of measures, including a cut in the discount rate that has been welcomed by other countries but apparently discounted by the market.

Bank of Tokyo chairman Toyoo Gyohten told THAILAND TIMES, after having met with Indonesian Finance Minister Mar'ie Muhammed, "Certainly I think the ministers will discuss the yen-dollar issue as a major topic of the debate. Because, after all, for APEC countries a stable and non-inflationary economic growth is the key. For us the private sector is a very important environment, because if the macroeconomic situation is unstable then the private sector cannot survive."

Mr Gyohten disclosed that at the meeting he and Muhammed had both expressed concerns about the steep rise of the yen as opposed to the sharp fall of the dollar.

"Certainly the currency is determined by the macroeconomic policies of major countries, including the US, therefore I strongly hope that the US will put their economic house in order and we must stimulate our economy and stimulate imports. This must be a mutual effort to stabilize rather than destabilize the market forces," he added.

Thai Finance Minister Tharin Nimmanhemin disagreed with Gyohten, saying that, "I think that generally APEC members would deal with long-term prospects rather than immediate short-term adjustments. So, you must separate the two issues completely between short-term interim adjustments and the long-term equilibrium."

He added, "I have a feeling that APEC finance ministers will prefer to concentrate on the long term issue."

Tharin also did not think that the yen-dollar issue would over shadow the main agenda of the meeting.

The president of Thailand's Export-Import Bank, MR Piriyathon Thewakun, agreed with Tharin and thought that the matter was best left for discussion by the G7 members at a separate meeting. "The yen dollar issue is a major issue which is bigger than this forum, so it needs to be discussed at a high level G7 meeting. Any action doesn't have to be unilateral, but it should involve both Japan and the US," he said.

Whatever goes on in the rooms of the Grand Bali Beach, one of Bali's larger hotels, between individual ministers, the meeting itself is focussed on loftier, long-term goals.

Apart from general talk about recent economic developments, it will discuss three key areas: issues linked to capital movement, effects of exchange rate movements on trade and investment and how to mobilize resources for infrastructure financing.

The ministers are due to start their discussions today after a formal opening by Indonesia vice-president Try Sutrisno. Officials declined to explain why earlier plans for President Suharto to open the meeting had been shelved.

Beyond Japanese-US trade and currency friction, an obvious issue is this year's crisis in Mexico, another member economy of the fledgling APEC forum. Financiers said it provided a useful lesson but would not preoccupy the meeting.

"The Mexican crisis was a device which helped us in this meeting to focus on some of the fundamental improvements which all our economies needs to make including the US economy by the way which is heavily dependent on the input of foreign capital which is used to finance very large current account deficit," Goldman Sachs International vice-chairman Robert Hormats said.

Ministers have been at pains to stress the meeting—the second of its kind in APEC—is not intended to reach substantive agreement. But some say they hope for preliminary ground-rules to ease the impact of recent currency crises.

Australian Treasurer Speaks

BK1604122395 Melbourne Radio Australia in English 1100 GMT 16 Apr 95

[FBIS Transcribed Text] Australia has told the meeting of the Asia Pacific Economic Cooperation [APEC] forum that agreement needs to be reached this year on achieving free trade among countries in the region by 2020. Australia's federal treasurer, Ralph Willis, was addressing a meeting of APEC finance ministers in Bali, Indonesia.

Mr. Willis said ministers of APEC had a responsibility to achieve the goals set out by the region's leaders at their last summit in Indonesia. From Bali, Michael Maher reports:

[Begin Maher recording] In an address to the APEC finance ministers meeting, Mr. Willis underlined what he described as the enormous significance of the free trade agreement struck by APEC leaders last year. The treasurer said that Australia's primary objective in APEC in 1995 was to reach concensus on an action agenda for implementing the economic grouping's free trade target date of the year 2020. Mr. Willis told his fellow ministers that they could contribute toward achieving free trade goals, to the maintenance of microeconomic statability as well as through other economic policies. [end recording]

Focus on Currency Stabilization

BK1604134895 Singapore Radio Corporation of Singapore in English 1300 GMT 16 Apr 95

[FBIS Transcribed Text] Finance ministers of the Asia-Pacific Economic Cooperation [APEC] have called for determined efforts to stabilize the currency market. In a joint statement issued at the end of their one-day meeting in Bali, APEC ministers expressed their concern over the recent yen-dollar turmoil. The U.S. dollar has dropped more than 15 percent since January, hitting a record low against the Japanese yen only last week.

Earlier, the U.S. and Japan agreed to work closely together to stabilize the exchange rate of their currencies. Japanese Finance Minister Masayoshi Takemura and U.S. Treasury Secretary Robert Rubin said there will be closer consultation and cooperation between the two countries on the issue. They made the pledge after a separate meeting in Bali.

Indonesian Minister on Results

BK1704085895 Jakarta ANTARA in Indonesian 1714 GMT 16 Apr 95

[FBIS Translated Text] Denpasar, 16 Apr (ANTARA)—Finance Minister Mar'ie Muhammad said that Indonesia paid great attention to the appreciation of the

Japanese yen against the U.S. dollar during bilateral talks with a number of APEC [Asia-Pacific Economic Cooperation] finance ministers.

"Certainly, we paid great attention to the matter," he said in reply to questions from local reporters after summing up the results of the APEC finance ministers meeting at Grand Bali Beach Hotel at Sanur on Sunday.

He said that Indonesia had raised some problems arising from the yen appreciation during bilateral talks with a number of APEC finance ministers.

"That is not just a problem for us, but also for our friends from fellow Asian countries whose problems are more or less similar to ours," he said.

On the results of the bilateral talks with a number of APEC finance ministers such as U.S. Treasury Secretary Robert Rubin, Japanese Finance Minister Masayoshi Takemura, PRC Finance Minister Liu Zongli, and Canadian Finance Minister Paul Martin, Mar'ie said that it was too early to disclose the results of the talks.

"First, we will have to coordinate with other ministers in Jakarta on the results and submit the results to the president," he said.

According to him, Indonesia was able to discuss problems arising from the yen's appreciation through the bilateral talks more openly than in a forum involving many countries.

"We must restrain our feelings and talk cautiously," he said.

The finance minister added that ASEAN members tried to adopt a common perception over what needs to be done under the spirit of ASEAN.

Mar'ie said that Indonesia wanted to raise in fora such as APEC the state of currency exchange rates, especially the exchange rate between the yen and the U.S. dollar, which could cause various problems very quickly.

According to him, the impact of the yen appreciation is not just a problem for certain countries but has become a global problem.

"There is a general impression that exchange rates between strong currencies are just a problem for certain countries. This is a global problem," he said. He added that the yen appreciation was very complex.

The finance minister also said that Japan, for example, had tried to cope with the yen appreciation against the U.S. dollar, which reached 15 percent in March, by launching a new economic package partly designed to arrest the yen's appreciation by lowering deposit interest rates.

Mar'ie said that it was too early to give a final assessment of the Japanese policy because market reactions could not be seen in a short period of time.

The Yen's Appreciation Not Discussed

During an earlier news conference attended by local and foreign reporters at the end of the second APEC finance ministers meeting, Mar'ie said that the yen appreciation was not discussed during the informal meeting.

He, however, said that the APEC finance ministers realized that excessive currency fluctuations could cause instability in the macroeconomic policies of each country.

"We discussed how to maintain the stability of macroeconomic policies because economic stability is very important," he said during the news conference held on an open platform in the hotel garden at Sanur Beach.

He added that the finance ministers did not discuss the policies of certain countries in the wake of the yen appreciation. "We came here for the APEC meeting," he said.

Japanese Finance Minister Masayoshi Takemura said that the yen's current appreciation against the U.S. dollar did not reflect the fundamental economic situation of each country.

He admitted that the matter had drawn the attention of APEC members and a joint statement issued by the APEC finance ministers said that steps would be taken to maintain economic stability.

U.S. Treasury Secretary Robert Rubin said following talks with Masayoshi Takemura that the two countries agreed that more stable currency exchange rates were needed in the world. The talks were covered by only reporters from the two countries.

The joint statement issued at the end of the second APEC finance ministers meeting in Bali dealt with economic development, the flow of capital, currency fluctuations, and funds for infrastructure development.

In addition, it also dealt with other matters such as the enhancement of the role of stock exchanges and efforts to encourage APEC to undertake investment liberalization, cooperation, and facilities.

The finance ministers agreed that the next meeting would be held in Kyoto, Japan on 17 March 1996.

The Malaysian, Mexican, New Zealand, and Chilean delegations were not headed by their respective finance ministers in the meeting which was opened by Vice President Try Sutrisno.

APEC groups 18 countries—all ASEAN members (Indonesia, Malaysia, the Philippines, Thailand, Brunei Darussalam, and Singapore), the United States, Japan, Canada, Australia, the PRC, Mexico, New Zealand, Papua New Guinea, Hong Kong, South Korea, Chinese Taipei, and Chile.

Minister Cites Benefits of Session

BK1704092895 Jakarta SUARA KARYA in Indonesian 17 Apr 95 p 15

[FBIS Translated Excerpt] Sanur, Bali (SUARA KARYA)—Indonesia has gained maximal benefits from the meeting of the Asia-Pacific Economic Cooperation [APEC] finance ministers held in Sanur on Saturday and Sunday. Speaking to reporters in Sanur on Sunday evening, Finance Minister Mar'ie Muhammad said that Indonesia's interests, including ways to cope with the yen appreciation and other issues, were discussed at bilateral meetings with a number of APEC ministers.

Besides holding talks with U.S. Secretary of Treasury Robert Rubin and Japanese Finance Minister Masayoshi Takemura, Mar'ie also met with the finance ministers of Canada, the PRC, Taiwan, Australia, and the Bank of Tokyo president. He also had a working lunch with the ASEAN foreign ministers.

"We had to speak carefully during the plenary forum, but at the bilateral meetings, we spoke more freely. I had a great deal of discussions with other APEC ministers and I will discuss the results with my colleagues in Jakarta first before we report them to President Suharto," Mar'ie said.

Mar'ie said the fluctuation of the foreign exchange rate, especially the dollar against yen, has caused problems for the financial world. People used to think that the appreciation or depreciation of a currency will affect the country concerned, but now the impact is felt by all countries. He cited the example of the 15-percent appreciation of the Japanese yen against the U.S. dollar during the period between January and March 1995.

Asked to comment on Japan's emergency economic package, which includes a reduced discount interest and efforts to reduce its trade surplus, Mar'ie believed that the package will at least curb the yen appreciation. "However, it is premature to give a final assessment to the package," he said. [passage omitted on U.S. Secretary of Treasury Robert Rubin's comments on Japan's economic package]

Four topics were discussed at the two-day meeting at the Bali Beach Hotel in Sanur. In addition to exchanging of views on the latest economic developments, the ministers discussed issues related to capital movements among member countries, capital mobilization for financing infrastructure projects, and rapid fluctuation of foreign exchange rate and its impact for the Asia-Pacific region.

The APEC finance ministers were also briefed on Mexico's recent financial crisis and that country's measures to cope with it. "We exchanged views on the matter," said the Mexican deputy finance minister at a joint news conference.

The third meeting of APEC finance ministers will be held in Kyoto on 16 March 1996.

APEC Energy Experts Open Meeting in Japan 15 Apr

OW1504075295 Tokyo KYODO in English 0731 GMT 15 Apr 95

[FBIS Transcribed Text] Oisomachi, Japan, April 15 KYODO—Energy experts from the 18-member Asia-Pacific Economic Cooperation (APEC) forum opened a two-day meeting Saturday [15 April] in Kanagawa Prefecture, southwest of Tokyo, to discuss energy problems in the region, Japanese officials said.

The meeting, being held in the town of Oiso, is likely to agree to propose that a long-term energy supply and demand outlook for the region be adopted at the APEC gathering scheduled for November in Osaka, the officials said.

The proposal will be first presented at a working-level APEC energy conference to be held in July in Sapporo, northern Japan, they said.

About 50 government officials and executives of power and gas utilities in the region are attending the meeting, the first of its kind for APEC.

Japan

Kono Urged To Protest Clinton Remarks on A-Bomb

OW1704072895 Tokyo KYODO in English 0648 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—A majority leader in the House of Councillors urged Foreign Minister Yohei Kono on Monday [17 April] to convey the nation's misgivings about U.S. President Bill Clinton's remarks justifying the 1945 atomic bombings of Hiroshima and Nagasaki during Kono's upcoming visit to Washington.

"We cannot ignore the statement that the atomic bombings are correct," said Juro Saito, head of a group of upper house members from the Liberal Democratic Party (LDP), a dominant partner of the ruling tripartite coalition.

"Japan's stance must be clearly pointed out at this opportunity," he was quoted as saying at a meeting of coalition leaders.

Kono, who is scheduled to leave for the United States later Monday, pledged to convey the Japanese people's feeling on the issue, coalition officials said.

On April 7, when asked by a reporter whether the U.S. should apologize for dropping nuclear bombs on Japan 50 years ago and whether then President Harry Truman acted correctly, Clinton said, "no, and based on the facts he had before him, yes."

Clinton's remark sparked protests by atomic bomb survivors and residents in Hiroshima.

SDPJ's Kubo Hopes for Retraction

OW1704074295 Tokyo YOMIURI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 2

[FBIS Translated Text] U.S. President Clinton has made remarks justifying the dropping of atomic bombs on Hiroshima and Nagasaki. Speaking at a news conference on 14 April, Wataru Kubo, secretary general of the ruling Social Democratic Party of Japan [SDPJ], criticized President Clinton for making such remarks, saying: "The use of atomic bombs for mass murder of civilians cannot be justified. Although some have argued that the use of atomic bombs against Japan was inevitable to end the war, the argument is a theory justifying everything that the victor did during the war. The position of the Japanese people, who were the victims of the atomic bombs, is that they absolutely cannot accept that argument. I do hope President Clinton will retract his remarks."

Kono UN Speech: No Mention of Hiroshima

OW1604134295 Tokyo TOKYO SHIMBUN in Japanese 7 Apr 95 Morning Edition p 2

[FBIS Translated Text] A draft of a general speech—which Yohei Kono, deputy prime minister and concurrently foreign minister, will deliver at an 18 April conference at UN headquarters in New York City on whether or not to indefinitely renew the nuclear Nonproliferation Treaty (NPT)—does not mention Hiroshima or Nagasaki, where atomic bombs were dropped for the first time in history. This was disclosed by a Ministry of Foreign Affairs [MOFA] source on 6 April. The source explained: "A decision was made not to touch on the issue because MOFA, judging by the speech's context, had concluded that there was no need to refer to it."

It is still a draft and there is room for revisions. However, it is unlikely, at least for now, that the names of both cities, which have a strong impact in terms of reminding people of the tragedies caused by the bombs, will not be mentioned in the foreign minister's speech.

Regarding the nuclear attacks on Hiroshima and Nagasaki, the mayors of both cities criticized the United States, saying that it was an "inhumane act." This remark created a stir in the United States. It seems that some people may suspect that the foreign minister will not refer to Hiroshima or Nagasaki because MOFA is concerned about such delicate sentiments in the United States. However, the MOFA source strongly denies it.

The foreign minister will deliver the speech outlining Japan's stand regarding the nuclear issue. He will make the stand "clear to people at home and abroad" (according to the MOFA source). Such phrases as: "The only country that suffered nuclear attacks" and "Firmly maintain the three non-nuclear principles [of not possessing, manufacturing, or permitting the entry of nuclear weapons into Japan] will be incorporated into the speech. In addition, the speech will: 1) Urge all nuclear states to exert further efforts to reduce their nuclear weapons; 2) Ask all nuclear states to actively take part in the UN campaign for the early conclusion of negotiations for a treaty banning all nuclear tests; and 3) Call on countries that have not signed the NPT to support its indefinite extension. In his general speech delivered to the UN General Assembly in September of last year, Kono referred to "Hiroshima" by saying: "When the negotiations for a treaty for a complete ban on nuclear tests is concluded, Japan will call for holding a treaty-signing ceremony in Hiroshima."

Negotiators See No Progress in Auto Talks

OW1504000495 Tokyo KYODO in English 2353 GMT 14 Apr 95

[FBIS Transcribed Text] Washington, April 14 KYODO—The United States and Japan have remained far apart without any progress being made in their auto trade talks during a working-level session here, Japanese negotiators said Friday [15 April].

"Discrepancy persisted although the two parties were able to deepen their understanding," said one of the negotiators speaking to reporters after the three-day talks on opening Japan's auto and auto parts markets.

The working-level talks will resume after a two-day subcabinet consultation in Washington on Monday for the auto trade talks, the only unresolved area of the three priority sectors under the bilateral framework talks after more than 18 months.

The Japanese negotiators said they believe the gaps can be filled through talks if the U.S. side starts to take Japan's proposals into consideration.

But the U.S. side has refused to comment on Japan's counterproposals made in the previous Tokyo talks in March, and has even asked for other proposals.

"We just can't proceed unless U.S. assessment of our proposals is made first," one of the negotiators said indicating an impasse.

Meanwhile, one source close to the talks suggested that Washington is taking a strategy of prolonging the talks to show leadership in resolving the dispute.

Describing the U.S. attitude as showing "no signs at all of compromise for reaching an agreement now," the source said the U.S. is "apparently targeting the quad."

The so-called "quad" talks of trade ministers from Canada, the European Union, Japan and the United States are scheduled for early May in Vancouver.

The source said U.S. negotiators will likely keep their distance until then while heightening retaliatory pressure on Japan, and even if an accord is not reached at the quad meeting, the talks are unlikely to continue beyond a summit meeting of the Group of Seven (G-7) major industrialized nations in June in Halifax, Canada.

Echoing his comments, the White House confirmed Thursday that Washington is willing to impose sanctions if the negotiations fail.

After the auto talks ruptured last October, U.S. Trade Representative (USTR) Mickey Kantor initiated a Section 301 investigation under trade law against Japan's replacement auto parts market, with the deadline for possible sanctions set as Sept. 30.

But in a recent congressional testimony, Kantor said that he is now taking it on a "fairly short timetable," underscoring his reported stance to bring forward the deadline by four to five months to coincide with the quad meeting and the G-7 summit.

The Japanese negotiators said the just-ended talks focused on three issues—decontrolling inspection systems of replacement parts market, giving more foreign access to auto dealerships, and defining "objective criteria" for assessing progress of market access.

They said the U.S. side did not bring up "voluntary" purchase plans by Japanese automakers—an issue the Japanese side insists the U.S. has agreed not to take up in the negotiations as beyond government control. But USTR General Counsel Ira Shapiro said in his recent press briefing after a Tokyo subcabinet session that voluntary plans would be "helpful."

Igarashi Views U.S. Stand To Invoke Article 301

OW1504122995 Tokyo YOMIURI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 2

[FBIS Translated Text] The United States is showing its stand that it will invoke the retaliatory measures of Article 301 of the U.S. trade law should the comprehensive trade talks with Japan rupture. At a 14 April news conference, Chief Cabinet Secretary Kozo Igarashi said: "It was agreed between Japan and the United States that the series of meetings in Washington were held not under Article 301, but rather, under the Japan-U.S. comprehensive framework talks. We should try to find solutions under the assumption that the consequences of the meetings will be limited within the scope of government responsibility." In this way, Igarashi explained his view that the U.S. stand is unreasonable.

U.S. Sanctions Against Japan 'More Likely'

OW1504151795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 5

[FBIS Translated Text] The Japan-U.S. auto talks are facing difficulties, and U.S. sanctions against Japan are becoming more likely. The Japanese Government has been clarifying its stance on "filing complaints with the World Trade Organization (WTO) if the United States imposes sanctions against Japan" (as noted by Ryutaro Hashimoto, international trade and industry minister), and is now studying tangible countermeasures to possible U.S. sanctions. However, it is unlikely that the United States will violate WTO rules by such unilateral measures as the implementation of the Super 301 provision of the 1988 Omnibus Trade Act (regulating retaliation for unfair business practices of trade partners). The Ministry of International Trade and Industry [MITI] feels that: "It may be difficult to prove the United States guilty at the WTO."

MITI views U.S. White House Spokesman McCurry's 13 April remarks hinting at economic sanctions against Japan as "pressure to take advantage of the subcabinet-level talks scheduled for next week" (as noted by a senior MITI official). The Japanese Government has been saying that the threat of sanctions will not cause them to participate in negotiations. When the United States imposes sanctions, the government intends to break-off the auto talks and file a complaint over the unilateral action with the WTO.

The United States is expected to announce a list of Japanese auto replacement parts intended for the Super 301 provision sanctions if Hashimoto and U.S. Trade Representative (USTR) Mickey Kantor cannot reach an accord during ministerial talks in Canada in early May. In principle, the Super 301 provision sanctions are imposed for not more than 30 days, but they can be extended to up to 180 days.

It will be difficult for Japan to file complaints with the WTO for making the sanction list unless the United States actually imposes the sanctions. Even if they are actually imposed, no victory is guaranteed for Japan when the U.S. sanctions are limited to items not covered by the WTO agreement. Some Japanese officials take prudent attitudes toward filing complaints with the WTO as it may provoke U.S. complaints of Japan's "excessive regulations to prevent the incoming of foreign-made products."

The U.S. negotiation team is led by USTR Kantor, who has a long career as a lawyer, and they will certainly use a "tricky" offensive in view of the WTO rules. MITI will have to suffer further irritations until it figures out the next action by the United States.

Editorial Urges Breakthrough in Auto Talks

OW1404141995 Tokyo TOKYO SHIMBUN in Japanese 13 Apr 95 Morning Edition p 5

[Editorial: "Mutual Distrust Seen in Auto Talks"]

[FBIS Translated Text] It has been a year and a half since the Japan-U.S. auto talks began. During that time there have been twists and turns, and the United States' attempt to hastily obtain results has been conspicuous. Both Japan and the United States should stop criticizing each other and start making efforts to break the deadlock in the auto talks through constructive talks.

"Rough-going" is the term always used to describe the Japan-U.S. framework trade negotiations. Vice ministerial-level talks on autos and auto parts, which is the toughest sector in the framework negotiations, are scheduled to be resumed as early as next week following this week's working-level meeting. There are no signs that the auto talks will be concluded soon because so far, the two sides have only criticized each other.

During the talks, Washington has put forward three demands. It has called for giving more foreign access to the Japanese auto market, increasing the procurement of foreign-made parts by Japanese automakers, and opening the replacement parts market wider through deregulation.

Tokyo's stand at the talks is: "We will only discuss issues within government control (government reach)." Government intervention, with power and pressure, in the private sector's economic activities would destroy the market economy's base. The United States itself has opposed government intervention in the private sector. Thus, Japan's stand is totally reasonable. The United States should have nothing to say about it.

However, it is certain that the first two of the aforementioned three U.S. demands will greatly affect the Japanese market and automakers' business strategies. In this sense, the United States contradicts itself. Still, it has urged Tokyo to comply with them.

There is growing dissatisfaction among Americans with the auto talks as they now see more signs that the talks will be bogged down. At a recent news conference in Washington, U.S. Trade Representative Mickey Kantor said: "We cannot wait any longer," suggesting that the United States might advance its deadline for completing survey on Japan's auto parts trade to May. The United States began the survey last September and plans to continue it for a year. Depending on the results of the investigation, it will decide whether or not to impose sanctions against Japan in accordance with the Super 301 provision of the 1988 Omnibus Trade Act (which outlines steps for retaliation against trade partners' unfair practices).

Japan has also taken a hard-line attitude. In its recent report on unfair trade practices, the Ministry of International Trade and Industry criticized the U.S. Government for directly asking Japanese automakers to increase their procurement of foreign auto parts and using its leverage on car dealers affiliated with U.S. companies to urge them to expand their sales of foreign cars, saying such acts run counter to international trade rules.

The United States regards Japan as a "peculiar" country. With this view, which has led to U.S. distrust of Japan, Washington has been negotiating with Tokyo.

A primary concern for the United States is that its deficit in auto trade with Japan has reached $36.7 billion, which accounts for 60 percent of its total deficit in trade with Japan. Washington claims that although Japan exported 40 million vehicles to the United States over the last 20 years, it imported only 400,000 U.S. cars during the same period, only one percent of its car exports to the United States.

Causes for this imbalance are complicated. It is certain that the Japanese Government's long-standing auto policy, automakers' efforts, and Japan's export promotion policy have caused the imbalance. As a result, Japan has become an export-oriented country, which produces too many goods for itself. There is no denying that the Japanese auto market is not fully opened to foreign firms. Meanwhile, the lack of efforts on the part of the United States to increase its share in the Japanese market is also said to be one of causes of the trade imbalance. In other words, the trade imbalance is perhaps in good part the result of historical accumulation.

In recent years, the foreign share in the Japanese auto market has been rapidly increasing because of diversification in consumer preference and the yen's appreciation. Also, the number of domestic automaker-affiliated dealers that deal in foreign cars is increasing. We have apparently entered the age in which consumers choose cars for quality and price.

More than a few proposals made by the United States during the framework negotiations are welcomed by

Japanese consumers despite opposition from the Japanese Government and industries. During the auto talks, Washington attacked Japan for its notorious car inspection systems and demanded decontrolling them. Japanese consumers are welcoming moves to deregulate the inspection systems following the U.S. demand.

If the United States seeks only "results" in haste, it will invite unnecessary criticism. The country should bear this in mind. Meanwhile, Japan should review the causes of mutual distrust while speeding up deregulation in a bid to break the deadlock in auto talks.

Further on Government Deregulation Schedule

OW1404132095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 Apr 95 Morning Edition p 1

[FBIS Translated Text] The government, which decided on a "five-year plan for the relaxation of regulations" in late March, has firmed up plans to relax the regulations ahead of schedule by replacing the five-year plan with a three-year plan. The government will incorporate the plans in a package of measures to deal with the strong yen to be unveiled on 14 April as a centerpiece of the package. The regulations have been criticized by Japanese trading partners as a great barrier to foreign firms and goods from gaining access to the Japanese market. The government intends to show its posture at home and abroad on cutting Japan's current account surplus and halting the yen's sharp appreciation against the dollar by relaxing the regulations ahead of schedule. The government, which had planned to review the Large-Scale Retail Law under the five-year plan, will review the law within three years. The government, which had decided to permit self-service at gasoline stations within three years, will permit it "as soon as possible."

The package is aimed at stopping the yen's exchange rate against the dollar from falling further, which at one point, hit a record low of 80 yen to the dollar, and providing financial assistance to medium and small businesses that are suffering from management difficulties arising from the drastically appreciated yen. The government and ruling parties are currently studying a package of concrete measures to deal with the strong yen and will jointly map it out on 14 April.

The five-year plan for the relaxation of regulations will be implemented ahead of schedule as part of the efforts to reform the Japanese economic structure to reduce Japan's current account surplus, and the three-year plan for the relaxation of regulations will become a centerpiece of the package of measures to deal with the strong yen. With regard to the approximately 1,000-point deregulatory package that was mapped out on the basis of requests from each ministry and agency, the government plans to state explicitly in the package that "in principle, it will relax about 1,000 regulations within three years."

Now that the government has decided to implement the five-year plan for the relaxation of regulations ahead of schedule, the Large-Scale Retail Law will be reviewed and the current regulations on opening outlets and retail business will be relaxed by 1997. The Japan Industry Standard (JIS) and the Japan Agriculture Standard (JAS) have been criticized as being tougher than standards in force in the United States and Europe. The government will seek to make those Japanese standards compatible with international ones. The government also plans to review the current certification system for cigarette vending machines within three years instead five, as originally planned.

As for self-service at gasoline stations and the relaxation of some regulations on which the government had planned to decide two or three years from now, the government will advance the implementation of the five-year plan for the relaxation of regulations by announcing plans to permit self-service at gasoline stations and relaxing those regulations earlier than scheduled with the exception of regulations regarding public safety and national security, which require careful examination.

The government and ruling parties share the view that for the yen to stop rising against the dollar, it is necessary to take concrete measures to reduce Japan's trade surplus by reforming the current Japanese economic structure and expanding domestic demand. In the package of measures to deal with the strong yen, the government will announce plans to relax the regulations ahead of schedule with the aim of reforming the Japanese economic structure, provide front-load public works projects to expand domestic demand, financial assistance to medium and small businesses, promote the internationalization of the yen, and revitalize the financial market to deal with bad loans carried by financial institutions.

Takemura Urges U.S. To Curb Dollar's Fall

OW1604022295 Tokyo KYODO in English 0208 GMT 16 Apr 95

[FBIS Transcribed Text] Bali, Indonesia, April 16 KYODO—Japanese Finance Minister Masayoshi Takemura said Sunday [16 April] that he and U.S. Treasury Secretary Robert Rubin agreed in talks earlier in the day to join hands to stabilize volatile currency exchange rates.

"Both of us acknowledged the impact that changes in exchange rates can have on the world, including the countries of Asia," Takemura told reporters after an hourlong bilateral meeting with Rubin on the Indonesian resort island of Bali.

"We shared the opinion that Japan and the United States, for their part, should do their best to cooperate to stabilize the exchange rate and deal with the issue in a proper manner," he said.

Takemura is believed to have called for coordinated Japan-U.S. intervention in the foreign exchange market and for stepped-up unilateral efforts on the part of the United States to defend the dollar.

The perceived reluctance of the U.S. to act resolutely on the matter has drawn criticism from Japanese officials, including Takemura himself.

The high yen, which has risen more than 17 percent since the start of the year, has been driving up the costs of Japanese exports and threatening the country's fragile economic recovery.

Judging by Takemura's remarks, however, the two sides apparently failed to agree on any specific measures in that regard.

Takemura, speaking just ahead of a finance ministers' meeting of the 18-member Asia-Pacific Economic Cooperation (APEC) forum, said the talks were conducted "in a quite serious, but friendly atmosphere."

Asked about one U.S. official's reported remarks Saturday night that the U.S. was not satisfied with Japan's new economic stimulus package, Takemura said Rubin did not put it that way in the meeting.

But he said he realized that the U.S. appears to have the view that the market has not positively appraised the effectiveness of the package.

Japan's new economic pump-priming package was accompanied by the Bank of Japan's trimming of its official discount rate to a record low of 1 percent per annum.

Takemura stressed that Japan was for the most part just laying the "basic pillars" for further action and said it plans to take more concrete action from here on out.

Reuters on Sunday quoted a U.S. official as telling a select group of reporters, "if you look at the whole thing, it's mainly a restatement of things that have been there for some time."

"We don't see much here that shows a fundamental change," the official reportedly said. Japanese reporters were excluded from the briefing.

Takemura Denies Rubin Unhappy With Yen Package

OW1704090795 Tokyo KYODO in English 0839 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—Finance Minister Masayoshi Takemura on Monday [17 April] disputed reports that U.S. Treasury Secretary Robert Rubin was dissatisfied with Japan's package announced last week to combat the yen's surge against the dollar.

Takemura telephoned Chief Cabinet Secretary Kozo Igarashi from Bali, Indonesia, and reported about a meeting of finance ministers of the Asia-Pacific Economic Cooperation (APEC) forum, which ended Sunday, Igarashi told a news conference.

Igarashi quoted Takemura as saying the reports on Rubin's remarks were not necessarily correct because the U.S. Treasury Secretary first welcomed the Japanese package.

Rubin also said the United States will wait for Japan to come up with more specific steps in a month or two, as specified by Takemura, prior to commenting on the yen-curbing package, Takemura was quoted as saying.

After the APEC gathering, Rubin told reporters Japan's emergency spending and deregulation package "touched on the right points" but added, "it may be a bit premature to judge" the program's effectiveness.

Igarashi noted other major countries' evaluation of the package will be finalized as Japan steadily implements each and every policy measure included in the program.

Specifics of the package, such as the government's supplementary budget for fiscal 1995, will be made more concrete by the end of May at the latest, he added.

Official: U.S. Not Dissatisfied With Yen Steps

OW1704062295 Tokyo KYODO in English 0605 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17—The United States is not openly dissatisfied with Japan's new yen stabilization measures, Japan's senior trade bureaucrat Tomio Tsutsumi said Monday [17 April].

The Ministry of International Trade and Industry (MITI) understands that Treasury Secretary Robert Rubin "did not use expressions of dissatisfaction" over Friday's package when he met Finance Minister Masayoshi Takemura at a weekend conference in Indonesia, the MITI vice minister said.

Instead, the U.S. Treasury chief "reserved judgment" on the package of deregulation and spending measures, including deficit-financing bonds, adopted to boost Japan's economy and appetite for imports to help curb the yen and ease its economic effects, Tsutsumi told a regular news conference.

Rubin told a news conference Sunday that the high-profile package "touched on the right points," but the former Wall Street executive noted that "the market and market analysts" were not impressed.

As for the official U.S. Government position, Rubin said, "It may be a bit premature to judge," adding Washington will see how Tokyo fleshes out the package's broad outlines.

Debate on Strong Yen With Hashimoto, Others

OW1604033895 Tokyo NHK General Television Network in Japanese 0000 GMT 16 Apr 95

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 16 April in its regular "Sunday Discussion" program covers a live panel debate on the theme of "the Strong Yen Hell; Is There a Way Out of This?"

The one-hour debate, moderated by NHK commentators Takashi Yamamoto and Takanobu Fujita, includes: Ryutaro Hashimoto, minister of international trade and industry, Fujitsu Ltd. Chairman Takuma Yamamoto, and Richard Koo, an economist at Nomura Research Institute, who are at the NHK studio in Tokyo; and Kazuo Inamori, chairman of Kyocera Corporation, who is in the Kyoto NHK studio linked via remote hookeup.

Yamamoto begins the debate by asking Minister Hashimoto about his view on the strong yen situation. Hashimoto replies: "I say this is very serious even though I am not sure if the expression—serious—is appropriate, since the government as a whole is using the expression that the economy is moving toward a steady recovery. What the government says may be right if we are only talking about the conditions of the market."

Hashimoto goes on to explain why he thinks the condition is serious, noting the increasingly pessimistic opinions voiced by corporations saying that there are really no effective ways of coping with the problem.

The moderator brings up the question of whether the recently announced package of government measures was timely and adequate. Asked to comment on it, Minister Hashimoto says that the measures were "late" in coming, and others in the debate say they were too late and some of the actions were not sufficient.

At 0023 GMT, Hashimoto speaks about a meeting between Foreign Minister Takemura and U.S. Treasury Secretary Rubin. He says: "A meeting between Minister Takemura and Secretary Rubin alone started at 0830, and should be nearing its end by now. I asked Mr. Takemura to propose an idea at the meeting. The idea is for the U.S. Government to issue yen-based public bonds."

Hashimoto says: "This is not necessarily a bad idea even for the U.S. Government. Issuing yen-based bonds, no doubt, will benefit U.S. taxpayers since there are differences in interest rates between Japan and the United States. If the U.S. Government lets the strong yen continue as it is, the country will lose much from it."

The minister insists that issuing such bonds can also demonstrate the U.S. Government's resolve to defend the dollar. He says that he discussed the idea with Finance Minister Takemura over the past several weeks, and suggests that this is not necessarily a totally absurd idea. He notes that there was an article dealing with that subject in the 11 April issue of THE WASHINGTON POST.

Participants in the debate continue to discuss the strong yen and exchange views on recent proposals for dealing with the problem.

Coalition Team To Visit U.S. on Economic Package

OW1704120395 Tokyo KYODO in English 1103 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—Three ruling coalition parties will send a joint mission to Washington next week to seek U.S. understanding of the government's economic package designed to check the yen's appreciation, officials said Monday [17 April].

The officials said the decision was made at a meeting attended by representatives from the three parties—the Liberal Democratic Party (LDP), the Social Democratic Party [of Japan] and New Party Sakigake [Harbinger].

The delegation, led by Kabun Muto, chairman of the LDP's Executive Council, will visit Washington on a three-day tour beginning Sunday, they said.

LDP Secretary General Yoshiro Mori told reporters that the economic package was not understood by the United States and thus the ruling parties agreed on the necessity to explain their program.

U.S. Treasury Secretary Robert Rubin expressed skepticism about the effects of the package when he met Japanese Finance Minister Masayoshi Takemura in Bali, Indonesia, on Sunday.

Reports said the two officials failed to produce concrete measures to stem the yen's rise against the dollar.

Government: No More Payment Increases for USFJ

OW1404135595 Tokyo KYODO in English 1343 GMT 14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—In a major turnaround from a long-standing policy of increasing payments year by year, Japan plans not to shoulder additional support costs for U.S. Forces in its territory under a new bilateral accord to take effect in 1996, Defense Agency sources said Friday [14 April].

The two countries are negotiating over the content of the new accord because the current five-year bilateral agreement, under which Japan has subsidized U.S. Forces stationed in Japan since 1991, will expire in March 1996.

Japan wants to maintain the present level of support in the new accord although the country has increased the amount annually since 1978, the sources said.

Defense Agency Chief Tokuichiro Tamazawa will inform U.S. Defense Secretary William Perry of the new policy when Tamazawa visits the United States next month, they said.

In recent bilateral negotiations, the U.S. has demanded that Japan shoulder new expenses, such as the repair costs of warships and aircraft, the cost of conducting night flight drills from an aircraft carrier near the Pacific

Island of Iwo Jima, as well as the cost of communications among the U.S. bases in Japan.

But, the Japanese side took the decision that the country should no longer increase its payments to the U.S. Forces because of world trends and the policy of the government of Prime Minister Tomiichi Murayama of reducing defense spending, the sources said.

However, the United States is likely to insist on Japan's increased burden sharing because of the sharp rise of yen and curtailment of U.S. defense budget, analysts said.

The Japanese Government nevertheless believes that the U.S. military presence in Asia is still necessary, and so will not reduce the amount paid from current levels, they said.

Japan has financially supported the U.S. Forces in its territory based on the bilateral security treaty which granted the U.S. land, air and naval forces the use of facilities and areas in Japan.

Japan's support was originally limited to providing the land for U.S. bases, but in 1978 Japan started paying part of the salaries of Japanese workers at the bases under the so-called "sympathy" budgets.

In 1979 Japan started constructing housing complexes for the U.S. Forces and in 1991 signed the present accord under which it began covering utility expenses such as lighting and fuel for the U.S. bases.

NFP Plan Urges Security Ties With U.S.

OW1704090995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Apr 95 Evening Edition p 1

[FBIS Translated Text] The original draft of the "basic plan for Japan's security policy," which has been under study by the main opposition New Frontier Party [NFP], came to light on 15 April.

The basic plan calls for a review of the Japan-U.S. Status of Forces Agreement [SOFA] to expand Japan's assistance to U.S. Forces Japan, claiming that the revitalization of Japan-U.S. security arrangements is needed for Japan to respond to the post- Cold War international situation.

On the issue of right to collective self-defense, the basic plan feels there is a "need to hold debates at the grass-roots level." On the issue of amending the constitution, the basic plan insists that "rewriting the constitution must be studied if necessary."

The "project team for basic security policy Issues" that the NFP established has held security policy discussions. The project team wants the basic plan finished and to have gone through NFP internal procedures by the end of May ready for the party to make a formal decision. With the internal rift over the issue of amending the constitution still wide, however, the coordination of intra-party opinion is expected to be difficult until a final party decision is made.

The basic plan comprises five items, including: "Security Policy and the Constitution," and "Japan's Contribution to Peace and Stability of the World." Among other things, the basic plan calls for the revitalization of Japan-U.S. security arrangements. The basic plan stresses that "from the position of expanding Japan's assistance to U.S. Forces Japan, we must study the possibility of reviewing the SOFA to increase Japan's share of the cost of maintaining U.S. Forces in Japan."

On exercising the right to collective self-defense, the basic plan asserts that "obviously Japan will protect its national interests by exercising its self-defense right and the right to collective self-defense," but it adds, "we must hold debates at the grass-roots level."

In reference to Japan-U.S. security, the basic plan indicates that "if both Japan and the United States can deal flexibly with their security ties and the exercise of the right to collective self-defense, it will further enhance Japan-U.S. cooperation."

Resumption of Japan-DPRK Talks on Ties 'Clouded'

SK1604084195 Seoul YONHAP in English 0822 GMT 16 Apr 95

[FBIS Transcribed Text] Tokyo, April 16 (YONHAP)—Resumption of Japan-North Korea talks on opening full ties is clouded, even though a working-level contact between the two countries' embassies in Beijing was held last week, high-ranking Japanese Foreign Ministry officials were quoted as saying Sunday.

The rough progress in the U.S.-North Korea expert-level meetings on light water nuclear reactors for North Korea in Berlin has been singled out for the impasse, according to the officials.

They said North Koreans, who met with Japanese working-level officials, did not appear to be eager for reopening talks, unlike they had been in the past.

These Japanese officials said it may be nearly impossible for them to hold talks again in the face of possible UN sanctions against North Korea, if it continues to reject South Korean light water nuclear reactors, adding that their official position their talks with Pyongyang is a separate case is still unchanged.

The working-level contact in Beijing has failed even to set the date for the next meeting.

They doubted if Japan-North Korea meetings can go any where even if they were held at this stage of the game, without a complete breakthrough in light water nuclear reactor problems with North Korea.

Kim Tae-chung Urges Conditional NPT Extension

OW1404123595 Tokyo KYODO in English 1205 GMT 14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Former South Korean opposition leader Kim Tae-chung urged Japan on Friday [14 April] to take the initiative in pressing for a clear time limit for abolishing nuclear weapons at an upcoming conference to review the Nuclear Nonproliferation Treaty (NPT).

In an interview with KYODO NEWS SERVICE in Tokyo, Kim said if the treaty, which permits Britain, China, France, Russia and the United States to possess nuclear weapons, is extended in its present form, other states will try to acquire nuclear arms too.

Noting that North Korea is suspected to have already developed nuclear weapons, Kim said that without a global nuclear arms ban the unification of the Korean peninsula cannot be achieved.

Japan and the U.S. are among those supporting an unconditional, indefinite extension of the treaty, which comes up for renewal this year. Representatives from the signatories will meet in New York from Monday through Thursday to review the 25-year-old pact.

Kim also said Japanese Emperor Akihito will be welcomed by the South Korean people "with open hearts" to visit their country provided Japan creates a suitable atmosphere by admitting to the wrongdoings of its militaristic past and fostering bilateral exchange.

"Today's emperor is not the wartime emperor. That's why the Korean people will have to welcome him, if he comes," Kim said.

Kim who retired from political life after losing the 1992 presidential election to his rival Kim Yong-sam, reiterated that "at the moment" he does not feel like running for president again.

Earlier Friday, the former co-leader of South Korea's opposition Democratic Party displayed optimism that the North Korean nuclear issue will be resolved with Pyongyang accepting South Korean nuclear reactors.

"North Korea knows that there is no other way but to accept South Korean-type reactors," Kim told the Foreign Correspondents Club of Japan, but he suggested the current round of U.S.-North Korean talks in Berlin should be resumed on a higher level.

Two days of expert-level talks were adjourned Thursday in Berlin with apparently little progress having been made on overcoming North Korea's refusal to accept South Korean-type light-water nuclear reactors as part of a nuclear deal signed in Geneva last October.

In his speech, Kim suggested the architects of the original agreement, U.S. Ambassador-at-Large Robert Gallucci and North Korea's First Vice Foreign Minister Kang Sok-chu, should meet again to overcome the impasse.

Kim reiterated his call for Japan to "have the courage to look at the past correctly" and repent for the pain inflicted on Korea during its 1910-1945 colonial rule over the peninsula.

Because Japan "exhibits negative reactions to any historical debate," Korean people have come to distrust Japan and discount the positive achievements made by the Japanese, Kim said.

Koreans are unaware of Japan's democratic postwar history, its antiwar constitution, its substantial foreign economic aid to developing countries and the number of Japanese determined not to repeat the past.

He urged reflection on the part of both nations in order to create a new era of cooperation based on "mutual feelings of ease and comfort which emanate from the hearts of our two peoples."

Kim, head of the Kim Tae-chung Peace Foundation, is making his first visit to Japan in 22 years since his kidnapping to Seoul from a Tokyo hotel in 1973.

The former dissident leader was kidnapped by a group of men Aug. 8, 1973, while in Tokyo promoting opposition to the authoritarian rule of then South Korean President Pak Chung-hi.

'News Focus' Views BOJ's Key Lending Rate Cut

OW1404153195 Tokyo KYODO in English 1456 GMT 14 Apr 95

["News Focus" by Keiji Urakami: "BOJ Flops on New Credit Policy Under Rate Cut Pressure"]

[FBIS Transcribed Text] Tokyo, April 14 KYODO—With Friday's [14 April] cut in its key lending rate, an action seen as a forced choice, the Bank of Japan (BOJ) has lost a chance to assess the viability of its new credit policy—nudging short-term money rates sharply lower and disclosing a basic stance on money market operations.

The new policy sprang from deregulation on ordinary rates on postal savings and bank deposits last October, which marked the completion of Japan's interest rate liberalization.

With postal savings and bank deposit rates freed, the central bank's day-to-day operations in the short-term money market have drawn attention, as its money market stance can be directly reflected in interest rates on such instruments.

The Bank of Japan also wanted money market rates to play a pivotal role in its credit policy while downplaying the significance of the traditionally most closely watched discount rate.

Banking sources believe the central bank had kept the discount rate, which stood at a record low 1.75 percent before Friday's additional cut of 0.75 point to 1 percent, as "the last card" to be used in the wake of further confusion in the banking system.

"Action on the discount rate should be reserved for when the fear of economic setback is clearer," one BOJ official said.

The Bank of Japan announced the market-oriented policy at the end of March as a way to rein in the yen's rampant gain against the dollar, which has threatened to shatter the government's goal of solidifying a budding economic recovery.

Rather than curtailing the official discount rate, a step long awaited in industrial and political circles, the central bank at that time said it has opted to guide short-term interest rates significantly lower.

The Bank of Japan apparently wanted an explicit disclosure of its money market stance to produce the same economic effects as would be expected under a discount rate reduction.

The unsecured overnight call rate, a benchmark short-term money rate, actually slipped below the 1.75 percent discount rate for the first time following the announcement of the policy.

Long-term prime lending rates, short-term prime rates and housing loan rates also skidded lower.

BOJ Governor Yasuo Matsushita repeatedly asserted that the plunging call rate is virtually identical to a reduction in the discount rate, a remark apparently made to dodge a growing call for a discount rate cut.

The central bank's silence on the discount rate left currency market players convinced that it has not been strongly committed to turning the soaring yen around, spawning further speculative pressure for yen buying and leading to record-breaking rises in the currency in the following days.

However, that stance finally softened after the dollar nearly hit 80 yen April 10, said one market watcher.

"The BOJ governor faced the decision of whether to budge on the discount rate," said one BOJ official who declined to be named.

For the Bank of Japan to respond easily to outside calls on the discount rate, especially from the Finance Ministry, would be somewhat humiliating because the bank has long claimed its independence from government bodies, while steps on the key rate have been regarded as a matter to be exclusively handled by the central bank.

Immediately before the announcement on the rate cut, the Finance Ministry, in a rare move, issued a policy statement that included a request for a discount rate reduction.

The ministry has come under fire as its request has been seen as making it difficult for the proud bank to move. To pave the way for BOJ action, the government recently revised its official assessment of the nation's economy by including in its monthly outlook report for the first time a reference to the fear of a strong yen, government sources said.

The Bank of Japan had repeatedly cited the need to watch various economic trends closely to decide on a key lending rate cut.

The government sources said the central bank came under added pressure to lower its key rate as the government's new yen-curbing package, unveiled Friday, underwent wrangling in final negotiations Thursday night between the ruling coalition parties and government ministries.

Announcing the discount rate reduction Friday, BOJ Governor Matsushita said, "The latest step has been taken with the BOJ's responsibility and judgment."

But market watchers believe the Bank of Japan finally bowed to political pressure and lost a chance to see how its lower short-term money policy will be filtrated through the market.

BOJ Managers on Economy Amid Yen's Rise

OW1704013595 Tokyo KYODO in English 0108 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—Branch managers of the Bank of Japan (BOJ) started a quarterly meeting Monday [17 April] morning to discuss regional economies and monetary policy in the wake of the yen's recent surges against the dollar.

The managers of 33 domestic branches and representative offices in New York, London and Hong Kong have gathered in Tokyo for the two-day meeting following Friday's cut by the central bank of its key rate.

The BOJ reduced the official discount rate by 0.75 percentage point to a new historic low of 1 percent per annum to prevent the yen's unabated rise from adversely affecting Japan's economy, which it said remains on a moderate recovery trend although the pace has slowed.

The branch managers are expected to assess the impact of the Jan. 17 great Hanshin earthquake in western Japan on the economy as well as the stronger yen's effects on regional economies over the past three months.

In their previous meeting in January, the managers voiced concern over possible adverse impact on the economy of the devastating quake.

BOJ Governor Yasuo Matsushita will hold a news conference Wednesday to offer his latest assessments on the state of Japan's overall economy and judgment on monetary policy.

At a news conference last Friday after cutting the base rate, Matsushita said, "the recent soaring of the yen has affected the economy, dampening corporate confidence and threatening to choke the recovering momentum... Therefore, we took the additional monetary step."

Given the present stable prices, there is no fear of the key rate cut producing side effects similar to the asset inflation of the "bubble" economy in the late 1980s, Matsushita told reporters.

Yet, he noted the need to pay close attention to economic developments.

High Yen Said Dampening Corporate Confidence

OW1704120895 Tokyo KYODO in English 1042 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—Bank of Japan (BOJ) branch managers said Monday [17 April] that the yen's recent surges have dampened corporate confidence despite the moderate economic recovery.

In Tokyo for a two-day quarterly meeting until Tuesday, the central bank's branch managers discussed regional economic conditions amid the yen's rampant appreciation against the dollar.

"Corporate confidence has become rather severe due to the yen's surges, although the economy as a whole is currently continuing a moderate recovery," said Osaka branch manager and BOJ Executive Director Tadayo Homma.

Homma said at a press conference that the central bank's cut in its key rate, together with the government's economic package, came at a time when the risk of an economic setback was emerging because of the sharp appreciation of the yen over a short term.

Last Friday, the BOJ reduced the official discount rate by 0.75 percentage point to a new low of 1.00 percent per annum, following the government's announcement of an emergency pump-priming package to counter the yen's unabated rise.

Homma said the central bank will carefully assess the effects of these policy measures on the confidence of corporate management, while expressing his hopes for a significant positive impact.

In an opening address, BOJ Governor Yasuo Matsushita explained the backdrop of the base rate cut, saying the yen's recent soaring has dampened corporate confidence and is threatening to choke a recovery.

Matsushita described the rate cut as indicative of the central bank's utmost financial support for Japan's economy, with a view to ensuring sustained noninflationary growth.

Given current stable prices, there is no fear of the key rate cut producing side effects similar to the asset inflation of the "bubble" economy in the late 1980s, Matsushita said.

Matsushita is scheduled to hold a new conference Wednesday, wrapping up the meeting attended by 33 domestic branch managers and representative offices in New York, London and Hong Kong.

On the impact of the Jan. 17 earthquake in western Japan, Osaka branch manager Homma said the regional economy has overcome temporary adverse effects, noting recent recovery in private consumption, increases in public investment mainly in reconstruction-related projects, resumed exports from ports other than Kobe and slowly recovering production.

In Hyogo Prefecture, however, which was hard hit by the quake, individual spending, housing investment and corporate capital spending all remain sluggish and external trade has dropped sharply due to damaged port facilities, Kobe branch manager Katsuhiro Endo reported.

Given these circumstances, corporate earnings have fallen, and partly because of the yen's recent appreciation, corporate confidence is getting worse, Endo said.

Speaking at a separate press meeting, Takahiro Kawase, manager of the Nagoya branch which encompasses Toyota Motor Corp. and related auto parts makers, said uncertainty over the economic outlook has rapidly grown as the yen has precipitously appreciated.

Kawase said a stronger yen may have a serious impact on exporters' earnings, although exports remain on an upward trend in volume terms, helped by robust overseas demand.

Fukuoka branch manager Yasuo Katagiri said the yen's recent continued surges have weighed on the economy, choking its recovery.

An economic recovery has yet to start with the high yen reducing corporate earnings and forcing further restructuring efforts, Katagiri said.

Shinsuke Kobayashi, branch manager in Hokkaido, northernmost Japan, shared concern over the strong yen's adverse effects on corporate confidence and earnings, though the region is an import- oriented economy.

Kobayashi noted the possibility of more tourists going abroad and having an adverse effect on the region's tourist industry.

Kobayashi said branch managers will closely monitor economic developments by assessing the effects of last Friday's cut in the official discount rate and the government's economic package as well as eying where the yen-dollar exchange rate will stabilize.

Coalition Government Wary of Yen Package

OW1704105695 Tokyo YOMIURI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 2

[FBIS Translated Text] The government is perplexed with the Tokyo market's non-reaction to the 14 April "yen-curbing and pump-priming measures" package. The package and the Bank of Japan's reduction of the official discount rate were the "last cards" for the Murayama administration, and coalition officials feel that future foreign exchange market trends may affect the government's fate. On the other hand, Shinshinto [New Frontier Party] and other opposition parties said they will severely attack the coalition government on this issue, noting the package showed the government's "lack of policymaking capability" (according to Shinshinto Policy Board Chairman Kansei Nakano). Prime Minister Tomiichi Murayama will have to cope with further difficulties in managing economic policies.

The package was formulated after difficult negotiations between the government and ruling parties continued until the early morning of 14 April. Yoshiro Mori, secretary general of the Liberal Democratic Party, stressed that the skyrocketing yen is "the Murayama administration's biggest problem." Prime Minister Murayama expressed great expectations for the market's reaction to the package, saying: "While the issue is still a source of concern, we did all we could. We are going to take action in cooperation with foreign countries, and the market will feel the package's effects."

It appears that the government is taking pride in managing to move up the implementation of the five-year deregulation plan by three years, which the cabinet recently decided on, at a time when many were arguing that the "package of yen-curbing measures would not generate the effect of resolving all pending issues" (according to a government source). In fact, International Trade Minister Ryutaro Hashimoto was reacting against moving up the implementation of the five-year deregulation plan and a review of the Large-Scale Retail Store Law, and the prime minister's official residence tenaciously persuaded the minister not to oppose the plan (according to the same government source).

Nevertheless, most bureaucrats think frontloading the deregulation measures is "unlikely to drastically curb the yen in a short time" (according to a senior Management and Coordination Agency official).

Regarding financial resources for the yen-curbing package, Finance Minister Masayoshi Takemura expressed displeasure with the package, which virtually pledges future issuance of deficit-covering national bonds. Takemura said: "We have been trying very hard to better the nation's fiscal conditions. Frankly speaking, we are not happy about issuing deficit-covering bonds." However, the policy was enforced by Wataru Kubo, secretary general of the Social Democratic Party of Japan [SDPJ], who insisted "this (issuance of deficit-covering bonds) must be clearly pledged since we will have to do it sooner or later."

In response to the package, Shinshinto's Policy Board chairman issued a statement. The statement says the package is "too abstract and ineffective, and the market's disappointment may result in a further surge of the yen." The Japan Communist Party also stressed the government has "no adequate policies" for smaller businesses (as noted by Economic Policy Committee Chairman Noriaki Sasaki).

Under such circumstances, the coalition parties are concerned that the prolonged yen surge may affect the Murayama administration's stability. A senior Sakigake [Harbinger] official said: "Further action will become necessary if the package fails to curb the yen rate. In the 14 April news conference, SDPJ Secretary General Kubo candidly showed his anxiety, saying: "We must see what the package's actual effects are. Documented yen-curbing measures cannot be evaluated unless they actually affect the market favorably."

Murayama: All Necessary Steps To Control Yen

OW1704033795 Tokyo KYODO in English 0309 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—Prime Minister Tomiichi Murayama on Monday [17 April] expressed the government's readiness to do all it could to calm the currency market in line with the emergency yen-stabilization package released last Friday.

During a speech to the industry and labor round-table conference, Murayama said Japan is ready to "take all kinds of measures to stabilize the international currency market while pressing for coordinated global action" for such a purpose.

Meeting with reporters at his official residence later in the morning, Murayama said Japan expects the United States to take action to reverse the soaring yen.

"The U.S. is unlikely to face troubles immediately but I think it will show steps shortly," Murayama said. Tokyo and Washington "have confirmed the need to stabilize exchange rates," he added.

On the rehabilitation of areas hit hard by the Jan. 17 great Hanshin earthquake, Murayama said in the speech that the government plans to submit as soon as possible to the current Diet session a supplementary budget for fiscal 1995 for the area's full-scale reconstruction.

During the speech, Murayama stressed the need for the government to ease its grip on regulations as a way to expand domestic demand and imports, which he said would help curtail Japan's huge trade surplus.

"Any deregulation should be carried out as soon as possible—within one or two years," said Murayama.

On the extra budget for fiscal 1995 that began in April, the prime minister said the government will focus on subsidies to help struggling small export-oriented companies as well as development of scientific technologies and telecommunications fields.

Igarashi: Tokyo To Implement Yen Package 'Steadily'

OW1704034795 Tokyo KYODO in English 0307 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—Japan will implement its package of pump-priming measures steadily in a bid to halt the yen's unabated rise and minimize its dampening effect on the nation's economy, a government spokesman said Monday [17 April].

"It is most important for now that we implement the latest package on various fronts," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

Igarashi portrayed the spending and deregulation package approved by Prime Minister Tomiichi Murayama's cabinet on Friday as "specific and comprehensive," indicating his confidence that exchange rates between the yen and the U.S. dollar will eventually return to appropriate levels.

He said Finance Minister Masayoshi Takemura and U.S. Treasury Secretary Robert Rubin reaffirmed that Tokyo and Washington will keep in close touch and take joint action when necessary to shepherd exchange rates in the right direction.

Takemura and Rubin met in Bali, Indonesia, over the weekend when they attended a meeting of finance ministers of the Asia-Pacific Economic Cooperation forum.

Businessmen Comment on 'Emergency' Yen Package

OW1604141195 Tokyo YOMIURI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 6

[FBIS Translated Text] On 14 April, the government decided on an emergency package of measures to halt the yen's drastic appreciation against the dollar and stimulate the economy, whereas the Bank of Japan [BOJ] decided to cut the official discount rate. In response, the industrial circles are highly rating the emergency package of measures and the BOJ's cut in the official discount rate by saying: "Both the government and BOJ took various measures that currently, can be conceived of as being correct," (according to Nippon Steel Corporation President Takashi Imai). Nonetheless, Real Estate Association President Higashi Tsuboi said: "It is certain that the government and BOJ missed an opportunity. They need to implement policies in a more flexible way." In this way, some are still strongly criticizing the government and BOJ for allowing the yen to sharply rise against the dollar. Commenting on the emergency package of measures' contents, Toshihumi Suzuki, Japan Chain Store Association president, said: "The package lacks concreteness and I wonder whether it will generate an immediate effect."

Reiichi Yumikura, Asahi Chemical Industry Company president, is harshly criticizing the emergency package of measures, saying: "The package only specifically cited moving up the implementation of the five-year plan for the relaxation of regulations, and I cannot help saying the package is far from adequate." NEC Corporation President Shoshi Kaneko points out: "The emergency package of measures to stop the yen's drastic appreciation largely relies on the private sector for promoting our nation's imports of automobiles, auto parts, housing, and construction materials. I can hardly see the government's posture in the package as taking a powerful initiative in rebuilding the structure of Japan's economy." Many are complaining that the government decided to postpone the repeal of the tax on securities transactions, which will revitalize the stock market; the sweeping review of the land tax system, which will end asset deflation; and the review of the Large-Scale Retail Law. Others are strongly demanding that public utility charges, including electric charges, be cut. The power industry is saying: "If we have a large margin of profit from the drastically appreciated yen, then we would seek to deal properly with the current electric charges" (according to Hirohei Abe, Federation of Electric Power Companies president).

Business Leaders Want Additional Measures

OW1604064395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Apr 95 Evening Edition p 2

[FBIS Translated Text] On 14 April, Keidanren [Federation of Economic Organizations of Japan], Nikkeiren [Japan Federation of Employers' Associations], and Keizai Doyukai [Japan Association of Corporate Executives] issued their comments on the government's emergency package to combat the current yen appreciation. Keidanren Chairman Shoichiro Toyoda appraised the government package, saying that it is designed not only to arrest the yen's surge against the U.S. dollar but also to consider financial problems and the revitalization of the securities market. He also appraised the government's determination to utilize fiscal measures to secure funds for the package, not only sticking to the issuance of deficit-covering bonds. Nikkeiren President Takeshi Nagano also said: "If the measures are implemented immediately and faithfully, we can expect that they will have appropriate effects on the correction of the yen's appreciation."

Moreover, Keizai Doyukai Chairman Masaru Hayami evaluated that the Bank of Japan's cut in the official discount rate "would cause troubles pertaining to the structural reform of the Japanese economy in terms of finances." However, each organization demanded that the government implement additional economic measures immediately. For example, Keidanren said: "Successful effects from the package depend on the concrete implementation of measures in the future." Nikkeiren said: "We expect the government to carry out drastic deregulation by setting a deadline." Keizai Doyukai said: "We hope that the government will immediately abolish a tax on securities transactions and lift the ban on the purchase of treasury stocks."

Steel Industry Calls Package 'Ineffective'

OW1704074595 Tokyo KYODO in English 0659 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—The government's economic package to counter the strong yen is "ineffective," the top leader of Japan's steel industry said Monday [17 April].

Hiroshi Saito, chairman of the Japan Iron and Steel Federation, told a news conference he was displeased with the package unveiled Friday. "Regrettably, it is ineffective."

"It is necessary to study other measures, including concrete target figures, to slash (Japan's) current account surplus and correct the strong yen," he said.

Saito, also chairman of Nippon Steel Corp., said the government should make efforts to remove concerns at home and overseas about the yen's future direction.

Government Facing Policy Deadlock Over Yen Package

OW1604131795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Apr 95 Morning Edition p 2

[Unattributed article: "Government Increasingly Feeling Effects of Policy Deadlock"]

[FBIS Translated Text] The Murayama cabinet is increasingly feeling the effects of a policy deadlock after discovering that its package of measures, announced on 14 April, aimed at halting the yen's drastic appreciation against the dollar and stimulating the economy has had little effect. Although the government and ruling parties are saying with hope: "The package of measures will slowly generate our desired effect and deal a blow to currency and stock speculators" (according to a top government official and a senior Liberal Democratic Party [LDP] member), government officials are saying: "It cannot be denied that the government missed an opportunity" (according to Home Affairs Minister Nonaka). The business community and opposition New Frontier Party will undoubtedly increase their criticism of the prime minister for his failure to push policies. Their criticism and the ruling Social Democratic Party of Japan's crushing defeat in the latest unified local elections will weaken the coalition government.

The government and ruling parties attached foremost importance to giving the impression at home that they were taking a "political initiative" in mapping out the package of measures after candidates with no party affiliation won a landslide in the latest Tokyo and Osaka gubernatorial elections. At a government and ruling parties' meeting, which continued until the early dawn of 14 April with no ministry or agency officials attending, Yoshiro Mori, ruling LDP secretary general, stated: "I hope all of you will work hard with the perception that mapping out this package of measures to stop the yen from further drastic appreciation and stimulating the economy is the most crucial task for the coalition government. I hope you will not create an absurd situation where only government offices remain unscathed when the cabinet is overthrown."

With regard to setting targets for reducing Japan's trade surplus, which the ruling parties had demanded while facing resistance from ministries and agencies, they only succeeded in incorporating a spiritual provision in the package of measures that says: "The government reaffirms its strong resolve to reduce largely Japan's trade surplus." It was Deputy Chief Cabinet Secretary Furukawa who was in charge of persuading Hashimoto, international trade and industry minister, who objected to moving up the relaxation of regulations stipulated by the Large-Scale Retail Law.

On 14 April, former Transport Minister Shigeru Ito called on the prime minister at the latter's official residence. During the meeting, Ito said to the prime minister: "You need to strive for a more political action." In response, the prime minister said: "Please understand my feelings." The prime minister, who is an armature in economic policies, had no choice but to rely on government offices to map out the package of measures, although he was keenly aware of the criticism of his lack of leadership.

During a 14 April news conference, Chief Cabinet Secretary Kozo Igarashi repeatedly stressed the effectiveness of the package of measurers, asserting: "If the package of measures is implemented step by step, the yen will certainly return to the original proper exchange rate level against the dollar." Asked about the point that the package of measures failed to generate an immediate effect on the yen-dollar exchange rate, the government spokesman exposed the government's helplessness by saying: "We can do nothing for that exchange rate."

Now that the Finance Ministry has promised the ruling parties that it would issue deficit bonds, the ruling parties believe that the groundwork has been laid for compiling the first large-scale supplementary budget for fiscal 1995, and their efforts have paid off to some extent. Nonetheless, some members of the ruling parties are voicing their discontent with the latest cut in the official discount rate by saying: "The 0.75 percent cut might have little effect on the market," (according to Koichi Kato, LDP Policy Research Council chairman).

The prime minister spoke highly of the package of measures shortly after his government announced it, saying: "We have done all that we can do." In other words, he is in a position where he no longer has a card to play. At a party he hosted on 14 April in appreciation of the efforts made by his aides, he was jovial while discussing wine brands with his aides, as if he were trying to shake off apprehensions about the market's reaction to the package of measures.

Merge of Export-Import Bank, OECF Questioned

952A0499A Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Mar 95 p 5

[Unattributed article: "Effects of EXIM Bank-OCF Merger Not Expected—Number of Personnel Small, No Blueprint for Reform"]

[FBIS Translated Text] A temporary conclusion has been reached on the sometime pending issue of the Murayama administration concerning special corporation reform by the government's plan to consolidate four years later the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund (OECF). However, if one considers that the consolidation of the Export-Import Bank, which handles loans with strong commercial characteristics, and the OECF, which handles loans to developing nations with a view towards aid, represents a marriage which the Ministry of Finance [MOF] and others had opposed, saying, "It would not be accepted from a global perspective," we must point to the fact that there is an absence of a blueprint which outlines the nature of the operations and profit outlook following consolidation. Both institutions are thinly staffed in comparison to the huge loans outstanding, which means there is little potential for cost reduction measures.

"There should be no reason why the consolidation should not take place." This was the difficult answer, uttered by Minister of Finance Takemura in response to a reporter's question on the reason for the consolidation of the Export-Import Bank and the OECF during the evening of 14 April, which triggered laughs from the press conference attendees. When asked about prospects for cost reductions, he would only say, "Salary costs will go down, because two presidents will be reduced to one president," but the minister failed to reveal any concrete plan.

Whenever talk of consolidations surfaced in the MOF, which supervised the Export-Import Bank, and the Economic Planning Agency [EPA], which supervises the OECF, officials (such as EPA Director General Takamura) would avoid a direct response by saying, "A very unusual and strange concept." The reason for such a stance was that there was the fear that such a consolidation would create the impression of confusing commercial loan and economic aid functions and invite criticism that "It would become an institution for forcing Japanese business transactions on foreign nations in the name of aid." The absence of any government-affiliated financial institutions combining functions of the Export-Import Bank and OECF in any of the advanced industrialized nations was also a basis for persistent objections to any such consolidation.

Differences between the Export-Import Bank and the OECF are clearly reflected in the conditions imposed on loans issued by the two institutions. The Export-Import Bank's loans for exports call for basic interest rates set at a minimum level of 0.2 percent below the long-term prime rate (preferred loan rate) and is currently at 4.3 percent, while the term of the loan is 10 years. On the other hand, OECF loan rates are set at a low rate of one to three percent in the sense that they are aid funds, while term of the loan is 30 years, providing for more lenient repayment terms.

Looking at the terms from the opposite side, loans issued by the Export-Import Bank provide for higher profits than those of the OECF. In fiscal year 1993, the Export-Import Bank delivered proceeds in the amount of 16.5 billion yen to the national treasury, while the OECF received disbursements of 378.9 billion yen from the national treasury to compensate for losses sustained owing to low-interest loans. The pending consolidation of special corporations represents a marriage between a "blue-chip institution" and a "red-ink institution."

The government has said, "We will clearly establish a separation of accounts between those covering official development assistance (ODA) funds administered by the OECF and non-ODA funds," but Japan Integrated Research Center senior researcher Atsushi Miyawaki points to the lack of transparency in accounting practices, by saying, "We cannot help but get the impression that deficits being recorded by aid operations are being offset by operations that produce higher profits."

ODA in most cases carry conditions such as nonmilitary and democratization. In comparison, Export-Import Bank loans can be made on a more flexible basis. Currently, ODA loans from OECF cannot be made to Russia, but they can be made from Export-Import Bank. Such distinctions will superficially disappear under the consolidation, but distinctions must be made as to whether the loans are ODA or non-ODA when actually issued.

It also appears that the source of funding must be reexamined. The Export-Import Bank in the past has issued bonds rated with the highest credit rating of AAA in the European markets and raised funds under favorable conditions. Nomura Integrated Research Center Policy Research Department Chief Toshinori Miyata states, "There is the need to rethink the credit standing of the consolidated institution in that it will involve a marriage with the OECF which handles low-profit loans. Indispensable will be an adequate explanation of the new institution to the markets."

Despite the circumstances discussed so far, the MOF and EPA, in response to the decision to consolidate, assert, "Overhead expenses can be reduced through the consolidation," but the prevailing view is that essential cost reductions "cannot be expected in large measure."

As of the end of December 1993, investment and loan balances of the European Bank for Reconstruction and Development (EBRD) stood at $500 million with an employee strength of about 800, while the OECF had an employee strength of less than one-half that while managing assets that stand at 140 times ($71.2 billion as of the end of March 1994) EBRD assets. Even the Export-Import Bank with a small staff of 542 employees holds assets totaling $84 billion, exceeding those of the OECF. After consolidation the new institution will hold assets that equal those of the World Bank which is staffed by 6,000. Both the Export-Import Bank and the OECF agree, "Under current circumstances, we get along by working overtime and could hardly entertain the idea of a personnel cut."

The government and ruling party agreement includes a cost-reduction plan which states, "Plant export loans by the Export-Import Bank will be limited to developing nations," but, according to the Export-Import Bank, "Demand for plant export loans to advanced industrialized nations is limited, and at the present time no such loans are being considered." Officials at a city bank which deals with the Export-Import Bank on loans to advanced industrialized nations are critical,n saying, "Such statements are made only for the purpose of posturing."

The Export-Import Bank handles a type of loan made to developing nations which are called untied loans (loans which do not specify the use of the funds) which compete with yen-denominated loans of the OECF, and the two institutions often fight over a single loan. Some sources cynically say, "The foremost logic in the consolidation will be the elimination of headaches associated with struggles over which institution wins the loan contracts," reflecting the fact that the consolidation is difficult for the Export-Import Bank and OECF to accept.

Both the Export-Import Bank and OECF are located in the same building in Ote-machi, Tokyo. One MOF official takes the bold view that, "There's no sense in crying over a decision already made. We'll be able to manage under one roof." On the other hand, his facial expression reflects the bitterness of having been forced to accept a plan with little merit. Although the consolidation was designed to serve as the model of the prime minister's public commitment, confusion is conspicuous at the operational level. A blueprint for the consolidation is nowhere to be seen.

Further Reportage on Aum Shinrikyo Sect

New Evidence Found at Aum Facility

OW1404144595 Tokyo KYODO in English 1427 GMT 14 Apr 95

[FBIS Transcribed Text] Tokyo, April 14 KYODO—Police have found new evidence of sarin gas production at a building owned by the religious cult Aum Shinrikyo, detecting two chemicals that determine how the nerve gas was made, police sources said Friday [14 April].

The chemicals called trimethylphosphate and methylphosphon acid dimethyl, both detected at a sect complex near Mt. Fuji in Kamikuishiki, Yamanashi Prefecture, west of Tokyo, can be created when sarin decomposes, the sources said.

The finding of the two chemicals, together with other chemicals seized so far, allows investigators to determine which among several methods was used in the making of sarin, the nerve gas used in the March 20 Tokyo subway attack that killed 11 people and made more than 5,500 others ill.

A chemical called phosphorus pentachloride which is needed in that same sarin manufacturing method has yet to be found, but police officials said the missing chemical can be produced using other chemicals found at the facility.

According to chemistry experts, the method is a simple one suitable for the mass production of sarin rather than for the production of small quantities of the gas as in laboratories.

Police have seized tons of chemicals and equipment that could make sufficient sarin to kill millions of people in what police say is a chemical plant in the Kamikuishiki complex. Massive police raids on the sect's premises were initiated two days after the subway sarin poisoning.

Police went on red alert Friday following a "prophesy" by Aum founder and leader Shoko Asahara that something horrible will happen in Tokyo on Saturday.

There are rumors that sarin might be scattered in the capital.

Explosives Confiscated

OW1504093695 Tokyo KYODO in English 0916 GMT 15 Apr 95

[FBIS Transcribed Text] Shizuoka, Japan, April 15 KYODO—Police confiscated a large amount of chemicals on Saturday [15 April], including materials for explosives, from the religious sect Aum Shinrikyo's facilities in Fujinomiya, Shizuoka Prefecture.

Police confiscated about 4 tons of potassium nitrate, about 5 tons of sulfur and some 1,200 liters of toluene, as well as some documents, from the cult's compound at the foot of Mt. Fuji.

They raided the facilities on suspicion the sect is violating the fire service law and storing the chemicals without official permission in amounts that surpass legal limits.

The findings were the latest in nationwide police raids on the sect's facilities that started two days after the March 20 sarin gas attack on the Tokyo subway system, which killed 11 and injured more than 5,000.

At Aum's Kamikuishiki complex, police confiscated some 600 cylindrical types of explosive that are usually used for road construction work, police sources said.

The explosives were found at a building called Satian No. 5 in the religious sect's major compound at the foot of Mt. Fuji, the sources said.

Police also discovered hidden storehouses in Satians No. 2, No. 7 and No. 8.

At Satian No. 7, which police believe was a chemical plant for producing sarin, police also found an underground room where a large amount of chemicals were stored.

From Satian No. 8, a chemical tank was also confiscated, the sources said.

Steam-Generating Devices Purchased

OW1504021695 Tokyo ASAHI SHIMBUN in Japanese 8 Apr 95 Morning Edition p 31

[FBIS Translated Text] Concerning the incident of several steam-generating devices found left at the Kasumigaseki subway station in Tokyo on 15 March, it was learned on 7 April that the Metropolitan Police Department Chikuji Station's Investigative Headquarters found that a man, who called himself an employee of a company affiliated with Aum Shinrikyo (representative Shoko Asahara), procured some ultrasonic diaphragms [choon shindohan] in April of last year. Ultrasonic diaphragms are key parts for steam-generating devices.

The steam-generating devices left in the station are regarded as either a "warning" about or an "exercise" in preparation for the subway sarin poisoning that was to come five days later. As far as the subway sarin poisoning incident is concerned, it has been determined that the chemical residue found at the scenes could have a connection with the religious group's facilities in Kamikuishiki Village of Yamanashi Prefecture. Now that these diaphragms are known to have been procured by the group, the suspicion of it having been involved in the two incidents is growing.

Police investigations have shown the objects found in the Kasumigaseki subway station on 15 March were three sets of steam- generating devices—each with a fan on top of a vinyl-cholorade tube mounted on an ultrasonic diaphragm. The diaphragm was made of metal, and was about five centimeters in diameter. Dry batteries installed under the tube ran the device, generating steam and blowing it out by fan.

The man who procured the diaphragms called himself an employee of an Aum Shinrikyo-affiliated company which had an office close to Shinrikyo's Tokyo Office (in Minato District, Tokyo). Around April last year, a man phoned a machine company in Fujinomiya City of Shizuoka Prefecture, saying he wanted "samples of ultrasonic diaphragms." Soon thereafter, he came to the company personally and asked for several diaphragms.

The man is said to have looked about 25 years of age, and the investigative headquarters is hurrying to identify him.

The batteries used on the devices have been learned to be products of a battery company with its main office in Kyoto. In late February, a man and a woman came to an electric appliance store in Chiyoda District of Tokyo and bought 40 of them for 2,000 yen apiece. And it has been learned that an approximately 25-year-old man bought the same type of batteries at an electric appliance shop in Akiwabara, Tokyo, in mid-February. The man said he "wanted 40," and bought about a dozen, all that were left in the store. On both cases, the investigative headquarters are trying to identify who the buyers were. The investigative headquarters is proceeding with its investigation, thinking it is possible that the religious group which bought the diaphragms and other parts built the steam-generating devices.

Facility Draft Chamber Found

OW1504133395 Tokyo KYODO in English 1314 GMT 15 Apr 95

[FBIS Transcribed Text] Tokyo, April 15 KYODO—Police have found equipment essential to the production of the deadly nerve gas sarin in one of the facilities of the religious sect Aum Shinrikyo's compound in Kamikuishiki, Yamanashi Prefecture, west of Tokyo, police sources said Saturday [15 April].

A draft chamber, a small room for ventilation to ensure safety in chemical experiments involving poisonous gases, was found in a laboratory in the Kamikuishiki complex at the foot of Mt. Fuji, the sources said.

With the discovery of a chamber, police have decided that the laboratory, a small prefabricated construction, was used for experiments on sarin since a derivative of the gas has also been found near the facility, according to the sources.

Police have discovered traces of "methyl phosphonic acid monoisopropyl" on the equipment confiscated from the sect's chemical plant, a building called Satian No. 7, which is located adjacent to the laboratory.

Police have also found methyl iodide, a poisonous chemical necessary for producing sarin, in the laboratory.

The laboratory is named after a senior Aum follower who leads the cult's group of chemists and who has been missing since early April. The police are looking for him in the belief he was involved in the production of sarin.

Police are investigating the cult for suspected production of the lethal nerve gas, the same type of gas used in the March 20 attack on the Tokyo subway system that killed 11 and felled thousands of other morning rush-hour commuters with nausea, headaches and blurred vision.

The police have also confirmed and confiscated a quantity of "diethyl aniline" that had been stored in the sect's facilities.

They continued their heavy raids on the sect's facilities in various locations Saturday in a fresh bid to find evidence implicating the cult in preparations for murder, kidnapping and other dubious schemes.

Plan To Buy Russian Tanks Revealed

OW1604031095 Tokyo TOKYO SHIMBUN in Japanese 13 Apr 95 Evening Edition p 1

[FBIS Translated Text] Tetsuya Kibe (39), "defense minister" of Aum Shinrikyo arrested by the Metropolitan Police Department (MPD) on suspicion of breaking into a house, possessed a pocketbook detailing a plan to purchase Russian-made tanks, including methods of transporting them together with Russian soldiers to Japan by warship, it was learned from the MPD Public Security Bureau [PSB] on 13 April. Since the cult group has a large Russian-made helicopter and Kibe possessed a large number of automatic-rifle parts when he was arrested, the PSB suspects he might have been investigating methods for obtaining weapons overseas. The PSB plans to question Kibe persistently.

The purchasing costs for the tanks were noted in Kibe's pocketbook; remarks such as "six tanks," "200,000-300,000 dollars for a used tank," (approximately 20-30 yen), and "one million for a brand-new one" were noted.

Moreover, notes taken from the pocketbook also say "Japanese ports are adequate," "There are 20 crew members. Ten crew members are also enough," "A cargo room can accommodate a maximum of 200 people," "200 soldiers," "A trip around the world with a full tank," and "It is alright down to a depth of 2.5 meters." Since these notes suggest suspect Kibe was examining the carrying capacity of a ship, police think the suspect was studying methods for transporting tanks and soldiers by warship to Japan.

As the "defense minister" of Aum Shinrikyo, suspect Kibe is believed to be a leader of an "action" corps serving as guards for Aum founder Asahara. Together with other two followers, he was arrested before dawn on 6 April at a condominium in Akasaka, Minato Ward rented by a Aum-affiliated company. When police arrested him, they confiscated materials which police say are rifle parts and replicas of the former Soviet-made automatic rifle "Kalashnikov"; the police subsequently raided the Aum-affiliated company.

Since an Aum follower who recruited participants from a private university in Tokyo for a military training tour to Russia is an executive of the company, the PSB is looking into the case under the suspicion that Kibe and the recruiter may have something to do with the arms purchase plan.

Leader Played Role in Russian Connection

OW1704015395 Tokyo KYODO in English 0132 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—The No. 2 man in the Aum Shinrikyo religious sect played a key role in an attempt to make the group better armed through Russian connections, investigators said Monday [17 April].

They said that a 45-year-old senior Aum member called the sect's "construction minister" played a key role in attempting to purchase tanks from Russia and to make guns illegally at a domestic facility. He is the No. 2 man in the sect after leader Shoko Asahara, 40, they said.

The sect member, who remains missing, is also alleged to have been involved in the sect's purchase of a Russian helicopter last June for some 78 million yen, they said.

Investigators said the member tried to invite Russian engineers last September through a Japanese travel agency that handles Russian tours so that the helicopter, for which the sect had not obtained necessary approval from Japanese authorities, could have become operational.

The sect member, who is also suspected of leading a secret squad responsible for tracking down and confining members who attempted to flee the sect, has visited Russia several times to have closer ties with that country, they said.

He is also alleged to have played a central role in trying to organize "military training" tours to Russia, they said.

He was in a position to command Tetsuya Kibe, a 39-year-old sect member who was arrested earlier this month for breaking into a house and whose confiscated diary detailed prices of Russian tanks and gun parts plus ways to transport them, they said.

The sect is known to have a strong foothold in Russia with the number of Russian believers estimated at 30,000.

Police began massive raids on the sect two days after the March 20 subway gas attack and so far have seized tons of chemicals and equipment that can produce sarin, a nerve gas used in the subway attack that killed 12 people and injured more than 5,000 others.

According to a sect document distributed to Russian followers, the sect planned to form a company in that country and appealed to its followers to join it in a bid to do business in areas such as agriculture, medicine, science and legal services.

The document says the purpose of the company was to help sect followers, saying Asahara forecast Russia's economic crisis will lead to increased unemployment.

"If you resign from your company and join the (Aum) company, you will be able to go to a (sect) training center frequently and hasten your progress in training," the document says.

A district court in Moscow has frozen the assets of the sect's Moscow branch and Russian authorities are investigating the sect for alleged criminal activities.

The sect is being sued by a group representing Russian parents whose children have joined the sect. The group is demanding compensation for damage done by the sect to the physical and moral health of young Russian followers.

Arrest Includes 20 Engineers

OW1604080995 Tokyo KYODO in English 0745 GMT 16 Apr 95

[FBIS Transcribed Text] Tokyo, April 16 KYODO—Police have identified some 20 arrested members of the Aum Shinrikyo religious sect as engineers belonging to an internal section allegedly engaged in the production of sarin nerve gas, investigative sources said Sunday [16 April].

They are among over 100 members whom police have nabbed during recent nationwide raids on the secretive cult's facilities in connection with suspected production of the lethal gas and several kidnapping cases.

The 20 or so members appear to be engineers in the cult's "Science and Technology Ministry" in charge of running a chemical plant at the No.7 Satian building in the group's large compound in Kamikuishiki, Yamanashi Prefecture, west of Tokyo, the sources said.

Police have been looking into how the section allegedly produced sarin under the command of its arrested head, Hideo Murai, they said.

Equipment essential to the production of the deadly nerve gas has already been found in one of the facilities in Kamikuishiki.

Based on data confiscated from Aum facilities, police have already identified some 4,000 members out of the 10,000 people who are believed to be domestic followers of the religious group.

Almost all the 300 members of the "Science and Technology Ministry" have been found to be among the 4,000 members, the sources said.

But most of the ministry's members had gone underground before March 22, when police began massive raids on the group's facilities.

Japanese authorities are looking into suspected links between Aum and sarin-related murder.

On March 20, the Tokyo subway system was attacked by a group of unidentified people who planted the nerve gas in trains and platforms, killing 11 and injuring over 5,000, some seriously.

Member Requested Gun Before NPA Shooting

OW1604102395 Tokyo SANKEI SHIMBUN in Japanese 13 Apr 95 Evening Edition p 1

[FBIS Translated Text] The former leader (47) of a gang affiliated with the Yamaguchi-gumi criminal syndicate, who is a member of Aum Shinrikyo's commando group and the number two man in Aum's "ministry of home affairs," told his friend late last month that he "obtained a .38 magnum gun." This was disclosed in the wake of investigations conducted on 13 April by the Metropolitan Police Office [MPO] and other investigation authorities. It seems that the former gang leader obtained the gun immediately before 30 March. On this day, a gunman shot Koji Kunimatsu, National Policy Agency commissioner general, using magnum bullets fired from a 38-caliber Colt. Because of this, the MPO decided to question Tomomitsu Niimi, Aum's "home affairs minister" and a leader of the commando group, for his involvement in the shooting.

According to investigations conducted so far, the former gang member called his acquaintances in the Tokai region between January and March of this year. He asked his acquaintances to find a gun for him, saying, among other things, "I need a gun that can be used even by a woman" and "can you get a gun for me?" Reportedly, the former gang member, when his request was rejected, hung up the phone, saying: "I will ask other people."

In late March, the former gang member called his male acquaintance, whom he had previously asked to find a gun for him, again and said: "Forget about my request because I already have a .38 caliber magnum."

He was a member of a gang that has its strong hold in Hokkaido and is affiliated with the Yamaguchi-gumi criminal syndicate. He is known for his violent character and, as a "sharpshooter," he was involved in a skirmish that took place in Sapporo in 1989 between the Yamaguchi-gumi and a Hiroshima gang, which has influential power in various places across the nation. After becoming a member of the group affiliated with Yamaguchi-gumi in Nagoya City, he joined Aum Shinrikyo.

Meanwhile, Commissioner General Kunimatsu (57) was shot from behind as he came out of his condominium in Minamisenju in Tokyo on the morning of 30 March. He was on his way to work. Four shots were fired, of which, three bullets hit Kunimatsu in the stomach and leg. He was seriously injured. The gunman fled the scene on a black bicycle. Reportedly, the gunman is between 30-40 years old, about 180 centimeters tall, and was wearing a white face mask, black hat, and black coat.

The gun used in the attack was a .38 Colt revolver. Hollow nose "magnum bullets," with sharply notched heads, were used to improve the killing power.

The MPO thinks that it was a planned attack by a highly trained professional gunman. However, the MPO is taking great interest in the fact that the former gang leader told his acquaintance immediately before the Kunimatsu attack that he had "found a magnum."

Moreover, police seized a large quantity of automatic rifle parts from the Aum's front company located in

Akasaka, Tokyo when Tetsuya Kibe (39), Aum's "defense agency director general," was arrested for alleged illegal entry into a building. The company was headed by a top member (45) of the cult, who is also the Aum's "construction minister." In addition, it became clear that the Aum's facility called "Fuji Seiryu Seisha," located in Tomizawa-cho of Yamanashi Prefecture, was a plant where firearms were manufactured illicitly.

The MPO says the physical characteristics of the former gang leader and the gunman are different. Nevertheless, the MPO thinks that the former gang leader acted as an assistant to Niimi, who organized the commando group, and was entrusted with the task of producing guns illicitly and procuring real guns. The MPO is carefully investigating the Aum's possible involvement in the shooting attack by questioning Niimi, Kibe, and other suspects. However, Aum Shinrikyo is totally denying its involvement in the attack, saying: "The shooting was an act by someone trying to entrap us."

Pharmacist Involved in Chemical Unit

OW1704135695 Tokyo KYODO in English 1305 GMT 17 Apr 95

[FBIS Transcribed Text] Tokyo, April 17 KYODO—A medical team member of Aum Shinrikyo also belonged to the cult's chemical unit suspected of producing sarin, the poison gas used in the March 20 attack on Tokyo's subway system, police sources said Monday [17 April].

The finding led the Metropolitan police department to suspect Aum medical unit members, including doctors and pharmacists, may have played a pivotal role in the suspected sarin production, along with the chemical team in Aum's so-called "science and technology ministry."

The member, a pharmacist at an Aum-affiliated hospital in Tokyo's Nakano ward, procured a quantity of drugs to act as antidotes to sarin, such as atropine and pralidoxime methyl iodide, they said.

The member also asked a Self-Defense Forces officer for information about poison gas last year and often visited a facility called the satian no.7, the suspected site of sarin production, in an Aum complex at the village of Kamikuishiki, Yamanashi Prefecture, they said.

Investigators have found the "ministry" has some 300 members, and have identified most of them, the sources said.

The head of the Aum hospital, Ikuo Hayashi, 48, who was arrested earlier on suspicion of confining a sect member, is thought to have studied poison gas symptoms at the Kamikuishiki complex.

Police have carried out massive raids on the cult since March 22, two days after the subway attack that killed 12 people and injured more than 5,000.

A public health center in Tokyo's Nakano ward on Monday ordered the Aum hospital, which has closed its shutters, to clarify whether it is still operating after Hayashi was arrested.

Also, Yamanashi Prefecture ordered the sect to tell the authorities whether it has already begun the operation of a clinic at Kamikuishiki.

The prefectural authorities granted permission March 10 to Aum to open the clinic, but the group has failed to submit a report that should be filed within 10 days after opening.

Meanwhile, Aum Spokesman Fumihiro Joyu criticized police Monday, saying they have taken 53 children away from the Kamikuishiki premises to prevent the minors from attending local schools.

Joyu told reporters that the police action reflected the intentions of local authorities which have refused to accept residential registrations of Aum members and refused to let the children enter local schools.

Aum Member Arrested 6 Nov

OW1404235095 Tokyo KYODO in English 2317 GMT 14 Apr 95

[FBIS Transcribed Text] Yokohama, April 15 KYODO—Police said Saturday [15 April] they have arrested a follower of the religious sect Aum Shinrikyo on suspicion of breaking into a major electrical company's laser research facility.

The follower, identified as Masanobu Iwao, 35, is suspected of breaking and entering the facility in Sagamihara, Kanagawa Prefecture, west of Tokyo, before dawn on Nov. 6 last year. He was arrested Friday, police said.

Iwao has remained silent over any possible motive, police said.

The sect is allegedly interested in laser weapons. Sect leader Shoko Asahara and other members reportedly visited Russia in 1992 and met a Nobel Prize winner, who is an expert on laser beams.

The facility is engaged in laser beam research and production development of semiconductor chips.

Iwao works for a jewelry company operated by the sect, police said.

Aum has come under investigations by police for its suspected manufacturing of sarin, a deadly chemical nerve gas used in the March 20 attack on the Tokyo subway system that killed 11 people and made more than 5,000 ill, some seriously.

An unidentified group of people are suspected of being involved in the attacks but have not been detained.

The sect has flatly denied any involvement in that incident or in a similar sarin attack in the central Japan city of Matsumoto last June that claimed the lives of seven people, or the production of sarin.

North Korea

ROK-U.S. Combined Military Exercise Denounced

SK1604102495 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 16 Apr 95

[FBIS Translated Text] According to reports, the South Korean-U.S. Combined Forces Command announced on 14 April that a provocative joint military exercise to meet any contingency on the Korean peninsula will be held from late April to mid-May.

The U.S. Defense Department also announced yesterday that the United States and the South Korean puppets will stage a joint military exercise involving integration with reinforcement troops dispatched from overseas beginning late April.

Mobilized in this war exercise are reportedly a total of 13,000 U.S. and puppet soldiers, including some 1,300 U.S. soldiers reinforced from overseas bases to South Korea.

The joint military exercises will include reception of U.S. reinforcement troops and supplies, staging, onward movement, and integration with in-country forces; and the command capability of the South Korean-U.S. Command Forces in case of a contingency on the Korean peninsula will be evaluated, revealed the U.S. Defense Department.

The U.S. imperialists and the South Korean puppets staged such an exercise last year and are now again attempting to commit the joint exercise for a second time. The bellicose U.S. military class and the conservative hard-line forces in the United States are laying an artificial obstacle to the implementation of the DPRK-U.S. agreed framework regarding the supply of light-water reactors and are beefing up threats and pressure against us in every way. Likewise, the South Korean puppets are recklessly running wild to find a way out of its serious plight through a war adventure.

They should clearly know that those playing with fire are sure to be burnt to death and should stop reckless war exercise commotions.

Reportage on ROK Religionists' Visit Continues

Chondoist Association Comments

SK1404155395 Pyongyang KCNA in English 1538 GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—A spokesman of the central guidance committee of the Korean Chondoist Association issued a statement today concerning the return of leader of Taejonggyo An Ho-sang and Chairman of the National Council for Reunification and Restoration Kim Son-chok of South Korea, who are on a visit to Pyongyang.

The statement says:

They are visiting Pyongyang from April 11 upon the invitation of Yu Mi-yong, chairperson of the central guidance committee of the Korean Chondoist Association.

They visited the Tomb of King Tangun, which had been reconstructed splendidly, where they paid homage to Tangun on Tangun's ascension day and toured different places of Pyongyang including historical sites.

They met with Chondoists and other believers in the North and exchanged views with them on matters of mutual concern including the reunification question in an atmosphere of warm compatriotic feelings.

They are spending meaningful days in Pyongyang in good health and will go back to South Korea on April 16.

They will pass through Panmunjom as demanded by them and for their convenience.

We will cordially guide them to the central demarcation line at Panmunjom till 11:30 [0230 GMT] April 16 (Sunday).

We hope clergymen and laymen of Taejonggyo in South Korea will come to Panmunjom by that time to greet An Ho-sang and Kim Son-chok.

Chondoist Group Holds Reception

SK1604090995 Pyongyang KCNA in English 0850 GMT 16 Apr 95

[FBIS Transcribed Text] Pyongyang, April 16 (KCNA)—The Central Guidance Committee of the Korean Chondoist Association gave a reception on Saturday in honour of the visiting leader of Taejonggyo and the chairman of the National Council for Reunification and Restoration of South Korea at Ongyu Restaurant.

Leader An Ho-sang and Chairman Kim Son-chok were invited to the reception.

It was attended by Chairwoman of the Central Guidance Committee of the Korean Chondoist Association Yu Mi-yong, its vice chairmen, Chairman of the Council of Korean Religionists Chang Chae-chol, and others.

Addressing the reception, Yu Mi-yong said that, although their Pyongyang visit was not long, it has marked a very beneficial occasion in deepening trust between religionists and other fellow countrymen in the North and the South, promoting national reconciliation and unity and accelerating national reunification.

She said that this year marks the 50th anniversary of the Korean liberation as well as the 50th year of national division and a significant year the entire fellow countrymen set as a year of reunification, noting, "Let us work harder together to successfully carry on the August 15 grand reunification festival and bring earlier the independent and peaceful reunification of the country."

Speaking next, leader An Ho-sang thanked for the measure taken for them to get a memorial service on Tangun's ascension day at the Tomb of Tangun, saying that "We should get united firmly under the nation's idea transcending all political and religious ideas for the reunification which will ensure the visits to historical sites and academic seminars in the South and the North."

At the end of the reception, Chairman Kim Son-chok said that all patriotic fellow countrymen desirous of the integration of the nation should work together as the homogeneous nation of Tangun for reunification.

The South Korean visitors called at the Korean Central History Museum and had a talk with historians of the Academy of Social Sciences on Saturday.

They saw the mass gymnastic display "Great Leader of People" performed by more than 50,000 school youth and children in Pyongyang city at the Kim Il-song Stadium to mark the 83rd birth anniversary of the great leader President Kim Il-song.

Return Through Panmunjom 16 Apr

SK1604084395 Pyongyang KCNA in English 0835 GMT 16 Apr 95

[FBIS Transcribed Text] Pyongyang, April 16 (KCNA)—Leader of Taejonggyo An Ho-sang and chairman of the National Council for Reunification and Restoration Kim Son-chok who came to Pyongyang on April 11 went back to South Korea through Panmunjom today.

Liaoning Friendship Delegation Departs 12 Apr

SK1704105495 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 12 Apr 95

[FBIS Translated Text] A Liaoning provincial friendship delegation led by Wen Shizhen, deputy secretary of the CPC Liaoning Provincial Committee and governor of the Liaoning provincial people's government, left for home today by train.

Sin Han-pang, vice chairman of the Pyongyang Administrative and Economic Guidance Committee, and officials from the PRC Embassy to the DPRK, saw off the delegation at Pyongyang Station.

Hwang Hosts Party for Tajikistan Party Delegates

SK1504052195 Pyongyang KCNA in English 0501 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—The Central Committee [C.C.] of the Workers' Party of Korea [WPK] gave a party for the delegation of the Tajikistan Communist Party which arrived in Pyongyang on Friday.

Secretary of the WPK Central Committee Hwang Chang-yop said in his speech at the party that the Tajikistan Communist Party has so far defended itself, faithful to the cause of socialism even under the difficult situation created due to the moves of the imperialists and renegades of socialism.

"We are glad to have you, comrades strong in faith and principle and loyal to the socialist cause, in Central Asia and wish your party a great success in its righteous activities," he said, adding:

"The Workers' Party of Korea will make positive efforts to further develop the friendly and cooperative relations with the Tajikistan Communist Party in the idea of independence, peace and friendship in the future, too."

Chairman of the C.C., the Tajikistan Communist Party Shodi Shabdolov, who is leading the delegation, said in his speech that the DPRK and the WPK are the one and only country and party in the world that have perfectly solved the problem of the continuity of the leader's revolutionary cause. "Even after the death of the great leader Comrade Kim Il-song the Korean revolution is progressing under the wise leadership of the great Comrade Kim Chong-il who is the same as Comrade Kim Il-song," he said.

He declared that such a great leader, a great man as Comrade Kim Il-song would hardly emerge once even after passing of 1,000 years.

"We sincerely hope that the WPK will make a greater success in the struggle for the happiness of the oppressed peoples and the revival of socialism in the world," he said.

Greetings Extended on Syria's Independence Day

SK1704104695 Pyongyang KCNA in English 1021 GMT 17 Apr 95

["Syria's Independence Day Marked"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The Korean people extend warm congratulations to the friendly Syrian Arab people on the 49th anniversary of the independence of Syria, NODONG SINMUN in a by-lined article today says, and goes on:

The independence of the country made it possible for the Syrian people to embark on the building of a new life.

After the independence the Syrian people have defended the country's dignity, smashing repeated interference and aggressive moves of imperialists and Zionists.

Especially, they have worked hard to build a new independent country, develop economy and improve the people's living under the guidance of the Arab Socialist Baath Party led by President Hafiz al-Asad.

The Korean people are rejoiced as over their own over the Syrian people's achievements in the struggle to consolidate the country's independence and build a new life and extend full support and solidarity for the fair position and efforts of the Syrian Government and people for the return of the Golan Heights, part of Syria's territory, and a solution to the Middle East problem.

The Korean people will continue making efforts to further strengthen the traditional relations of friendship and cooperation with Syria.

Chongnyon Sends Thanks Message to Kim Chong-il

SK1704103895 Pyongyang KCNA in English 1025 GMT 17 Apr 95

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The great leader Marshal Kim Chong-il received a message from the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon] thanking him for the educational aid fund and stipends he sent to it for its democratic national education.

The message dated April 14 says that as the respected marshal clearly indicated the way of national education and has shown all his personal love and care for its development, Chongnyon has been able to systematically rear heirs to its patriotic cause and successfully carry on the line of nation, patriotism and loyalty. It goes on:

"We will further consolidate Chongnyon founded by the great leader Generalissimo Kim Il-song to be an organization of overseas compatriots boundlessly loyal to you and bring about a new turn in the patriotic work of Chongnyon such as the work of national reunification.

"We will firmly strengthen the ranks of educational workers and further raise the standard and effectiveness of school education upholding your chuche-based idea of education of overseas compatriots, to rear the rising generation to be true Koreans and ardent patriots boundlessly loyal to you".

The message wholeheartedly wishes Marshal Kim Chong-il good health and a long life.

PRC Delegation Brings Gift for Kim Chong-il

SK1704105095 Pyongyang KCNA in English 1026 GMT 17 Apr 95

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The great leader Comrade Kim Chong-il was presented with a gift by the Chinese Government cultural delegation.

It was conveyed to Chang Chol, vice-premier and minister of culture and art, by Zhang Hualim who is head of the visiting Chinese Government cultural delegation.

Zambian Delegation Brings Gift for Kim Chong-il

SK1704104995 Pyongyang KCNA in English 1008 GMT 17 Apr 95

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The great leader Comrade Kim Chong-il was presented with a gift by the National Assembly of Zambia.

It was conveyed to an official concerned by Deputy Speaker Fitz Patrick Chuula who is the leader of the visiting parliamentary delegation of Zambia.

Paper Essay: Kim Chong-il 'Is Just' Kim Il-song

SK1504102195 Pyongyang KCNA in English 1011 GMT 15 Apr 95

["They are Always With Each Other for People"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—NODONG SINMUN today carries a political essay titled "They are Always With Each Other for the People", printing a photograph of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il discussing work.

What our people are thinking now, greeting the first April 15 after the death of the great leader Comrade Kim Il-song, is that he is immortal and is always with them because they are guided by respected Comrade Kim Chong-il, the author of the essay says, and continues:

Comrade Kim Il-song had devoted his all to the noble cause for the people from the days when he set on the road of revolution in his early years to his last moments.

Love for the people is his natural disposition, the starting point of all his thought, leadership, thinking and activities, his lifelong goal and all of his life.

He was always with Comrade Kim Chong-il for the people.

Comrade Kim Chong-il is a great statesman and revolutionary and a great man who has been successfully accomplishing the revolutionary cause of chuche with infinite loyalty to Comrade Kim Il-song and the spirit of devoted service to the people. He is the greatest leader in our age who is praised by the world people as "the only leader who will guide the 21st century" and "the sun of the 21st century" for his outstanding ideological and theoretical activities, tested leadership and undying feats for the accomplishment of the cause of the independence of the popular masses.

For making our country, our homeland more prosperous!

In hearty response to this call of respected General Kim Chong-il, the whole country is striving in one mind. On this road Comrade Kim Il-song is together with all our people.

Comrade Kim Chong-il is just Comrade Kim Il-song.

History and the people see the idea and leadership of Comrade Kim Il-song in those of Comrade Kim Chong-il and are convinced of the victory of his noble cause.

Reports on Kim Il-song Birth Anniversary Continue

SK1404155595 Pyongyang KCNA in English 1534 GMT 14 Apr 95

[FBIS Transcribed Text] Pyongyang, April 14 (KCNA)—The Standing Committee of the Central Committee of the National Democratic Front of South Korea (NDFSK) held a meeting in Seoul on April 10 and discussed the measure to more significantly commemorate the 83rd birth anniversary of the great leader President Kim Il-song.

Yi Chong-sang, chief of the Pyongyang mission of the NDFSK, in an interview with KCNA on April 13 published an information of the NDFSK Central Committee on the meeting.

According to the information, the following issues were discussed and decided on at the meeting:

Firstly, all the vanguard fighters and patriotic people from all walks of life shall continue to significantly commemorate the birthday of the great leader Comrade Kim Il-song down through generations, bearing deep in mind the belief that he will always be with us.

Secondly, the NDFSK Central Committee and all the organisations under it shall hold meetings to make an oath of loyalty on the 83rd birth anniversary of Comrade Kim Il-song.

Thirdly, all the organisations under the NDFSK shall conduct active propaganda activities to let the broad masses from all walks of life know the great personality of Comrade Kim Il-song and his immortal feats on the occasion of April 15 and sing "Song of General Kim Il-song" and other songs revering him on April 15 to more significantly commemorate his birthday.

Kim Chong-il Sends Floral Basket

SK1504050595 Pyongyang KCNA in English 0447 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—Party and government officials, working people, People's Army soldiers, school youths and children, overseas compatriots and foreign guests visited the statue of the great leader President Kim Il-song on Mansu Hill here this morning on the occasion of his 83rd birth anniversary to express deep reverence for him.

Placed before the statue was a floral basket sent by the great leader Comrade Kim Chong-il, chairman of the National Defense Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA]. KPA flags were seen and a guard of honor of three services lined up by the statue.

Participating in the ceremony were Premier Kang Song-san and Vice-presidents Yi Chong-ok, Pak Song-chol and Kim Yong-chu, who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], Vice-president Kim Pyong-sik who is the chairman of the Central Committee of the Korean Social Democratic Party and other senior party and government officials and working people of various social strata.

Also seen there were Chief Yi Chong-sang and members of the Pyongyang Mission of the National Democratic Front of South Korea (NDFSK), overseas Koreans staying in the socialist homeland, foreign diplomatic envoys and their embassy officials and visiting foreign guests.

Reflecting the participants' deep reverence for the fatherly leader President Kim Il-song, the chief of the guard of honor of three services made a report towards his statue.

After the band played the national anthem, floral baskets were laid before the statue amid the floral basket-laying music in the name of the C.C. [Central Committee], the WPK, the DPRK Central People's Committee, the Administration Council, the anti-Japanese revolutionary fighters, the Ministry of the People's Armed Forces, the Ministry of Public Security, units of the KPA and the Korean People's Security Forces, commissions and ministries of the Administration Council, the joint organizations of the Korean Children's Union, political parties, social organizations, central organs, scientific, educational, cultural and art, public health and press establishments, etc.

Also laid before the statue were floral baskets in the name of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), regional headquarters of Pomminnyon, overseas Koreans and the diplomatic corps here and foreign guests.

Then, people of various social strata and soldiers in Pyongyang laid floral baskets and bouquets before the statue.

Written in the ribbons of the floral baskets were "The great leader Comrade Kim Il-song will live forever," "The revolutionary feats of the respected leader Generalissimo Kim Il-song are immortal," etc.

The participants paid homage to President Kim Il-song, who made the Korean people the most dignified and happy people in the world, recollecting his glorious and brilliant revolutionary history and undying revolutionary feats.

Today people of all walks of life, soldiers and school youths and children laid floral baskets, bouquets and flowers before statues of President Kim Il-song in Pyongyang and local areas and paid homage to him.

South Korean Group Sends Letter

SK1504051695 Pyongyang KCNA in English 0453 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—A letter came to the great leader Comrade Kim Chong-il from the Central Committee of the National Democratic Front of South Korea (NDFSK) on the birth anniversary of the great leader President Kim Il-song.

The letter dated April 15 says respected Comrade Kim Il-song peerless in the several thousand years long history of our people was an outstanding great man discended from heaven and the benevolent sun for all the people.

It notes that he performed undying tremendous feats which no other great men could achieve in history, guiding the arduous and rigorous struggle in the van for a long period from the days when he set on the road of revolution in his early years to his age above 80.

"It is the firm will and irresistible aspiration of all the vanguard fighters and patriotic people of all walks of life in South Korea to hold him in high esteem as the father of the nation through generations," the letter says, and continues:

"We, with the happiness and glory in having great leaders through generations, will make all the people aware of the greatness of you respected General Kim Chong-il and expand the ranks of loyal subjects deeply worshiping and following only you without slightest vacillation in any adversity.

"We, under the banner of the 10-point programme of the great unity of the whole nation put forward by the fatherly leader President Kim Il-song in his lifetime, will definitely turn the mounting spirit of the popular masses for reunification into a struggle for dealing a decisive blow at the anti-reunification forces and overthrow the anti-ethic flunkeyist and treacherous "civilian" dictatorial regime so as to make this year marking the 50th anniversary of national liberation a significant year which opens an epochal phase of national reunification."

The letter wholeheartedly wishes Comrade Kim Chong-il good health and a long life.

Anniversary Commemorated Abroad

SK1704054195 Pyongyang KCNA in English 0514 GMT 17 Apr 95

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The birth anniversary of the great leader President Kim Il-song has been commemorated in different countries.

A meeting was held in Moscow on April 10. The reporter and speakers said at the meeting that Comrade Kim Il-song was the greatest man, statesman and elder of the world revolution in our era. He is a genius of thought and leadership and a master of creation, they said, adding:

Comrade Kim Il-song holds the highest and brilliant place in the world for his revolutionary exploits and history of struggle. He will always live in the hearts of humankind.

Meetings were also held by the Addis Ababa, Ethiopia, group for the study of the chuche idea, the Yugoslavia-Korea Friendship Association, the group for the study of the immortal chuche idea of Comrade Kim Il-song of teachers of higher middle school of Entebbe, Uganda, and in Rome.

At the meetings reporters and speakers said that President Kim Il-song was a peerless patriot and hero of the nation who set out on the road of revolution in his early years to retake the sovereignty and dignity of the country and the nation and resolutely defended them and a distinguished leader who made an undying contribution to the human cause of liberation under the banner of socialism and anti-imperialist independence.

Saying that President Kim Il-song fathered the chuche idea and applied it to the Korean revolution and thus made an immortal contribution to the development of the contemporary history, they stressed that he, absolutely trusted and infinitely revered by the people, will always live in their hearts.

Korean film shows were arranged in Moscow, Boras city in Sweden, by the Group for the Study of the Chuche Idea of the Latin Americans in Geneva, Switzerland, in New Delhi, by the Romanian Party for New Society, the Red Youth Union of Denmark, the Union of the Progressive Literary Men of Yugoslavia, the Educational Centre of Yemen, the National Marine Police Command of Angola, the National Defence Ministry of Guinea, the Addis Ababa, Ethiopia, Group for the Study of the Chuche Idea, the Mali-Korea Friendship Association, the Fellowship Society Mourning President Kim Il-song in Togo, the Group for the Study of the Chuche Idea in Lome, the Philosophical Teachers' Association and the Association of Social Scientists of Togo and the Kim Il-song Institute of Agricultural Science of Guinea.

Mangyongdae Bookshop Named in Egypt

SK1704104895 Pyongyang KCNA in English 1011 GMT 17 Apr 95

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—A ceremony for naming a bookshop in Menia Province, Egypt, "Mangyongdae, Pyongyang International Bookshop" was held on April 9 on the occasion of the birth anniversary of the great leader President Kim Il-song.

The advisor in charge of culture of the province said at the ceremony:

The Waiel Bookshop in our province is named after Mangyongdae in which his excellency the great leader President Kim Il-song was born. This is a token of unbounded reverence for him and a graphic expression of friendly feelings of the Egyptian people toward the Korean people.

I am confident that the "Mangyongdae, Pyongyang International Bookshop", a symbol of friendship between the peoples of Egypt and Korea, will be greatly helpful toward strengthening the cultural ties and developing friendly relations between the two nations.

'Arafat Sends Floral Basket

SK1504054495 Pyongyang KCNA in English 0522 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—A floral basket came from Yasir 'Arafat, president of the State of Palestine, on the occasion of the birth anniversary of the great leader President Kim Il-song.

Ibrahim Abu Mualek, charge d'affaires ad interim of the Palestinian Embassy here, and his embassy officials laid the floral basket before the statue of President Kim Il-song on Mansu Hill on April 14.

Noting that it is only too natural to express deep reverence for the great leader President Kim Il-song, the charge d'affaires ad interim said President Kim Il-song is always alive in the hearts of the progressive people of the world for great exploits he performed in his lifetime.

He said the cause pioneered by the great leader will certainly be accomplished by respected Comrade Kim Chong-il.

Chongnyon Committee Sends Letter

SK1504055095 Pyongyang KCNA in English 0533 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—A letter came to the great leader Marshal Kim Chong-il from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the birth anniversary of the great leader Generalissimo Kim Il-song.

The letter dated April 15 says respected Generalissimo Kim Il- song was the great leader peerless in the 5,000-year-long history of the Korean nation and the greatest revolutionary, a peerless great man and the tender-hearted father of the people who performed imperishable feats which will shine forever along with the time, the revolution, the country and the nation.

"Because the fatherly leader Generalissimo Kim Il-song liberated the country and formed and wisely led Chongnyon under the banner of the chuche idea, the Koreans in Japan have become dignified overseas citizens of Korea of chuche who are praised as the forerunners of the overseas compatriots' movement in the world and models of patriots," the letter says, and continues:

"The great feats he performed in the history of the nation, humankind and the movement of Korean residents in Japan will shine long along with his August name and he will always be alive in the hearts of all of us as the sun of chuche.

"With you respected Marshal Kim Chong-il at the top of the party and the state, our homeland is now greeting the greatest heyday of the nation and is shining all over the world as the best socialist ideal society centred on the popular masses which the progressive people of the world are longing for as the beacon of hope."

Expressing the resolution to further strengthen Chongnyon formed by the fatherly leader to be a genuine patriotic organization of overseas Koreans unfailingly loyal to you respected general, the letter says:

"We will successfully fulfil the noble patriotic tasks facing Chongnyon and Koreans in Japan so as to brilliantly adorn this year marking the 50th founding anniversary of the Workers' Party of Korea, the 50th anniversary of national liberation and the 40th founding anniversary of Chongnyon as a year of greatest significance in the history of the movement of Korean residents in Japan.

The letter wholeheartedly wishes Marshal Kim Chong-il good health and a long life.

Koreans in Japan Send Messages

SK1604082895 Pyongyang KCNA in English 0812 GMT 16 Apr 95

[FBIS Transcribed Text] Pyongyang, April 16 (KCNA)—The great leader Marshal Kim Chong-il received messages on the occasion of the birthday of the great leader Generalissimo Kim Il-song from the permanent council of the Federation of Korean Traders and Industrialists in Japan, the Central Standing Committee of the League of Korean Youth in Japan, the Central Standing Committee of the Democratic Union of Korean Women in Japan, the Central Standing Committee of the Union of Korean Teachers in Japan, the permanent council of the Central Educational Association of Koreans in Japan, the central permanent council of the Association of Korean Social Scientists in Japan, the central permanent council of the Scientific and Technical Association of Koreans in Japan, the Central Standing Committee of the Union of Korean Literary Men and Artists in Japan, the permanent council of the Federation of Korean Credit Associations in Japan, the permanent council of Korean Physical Culture and Sports Federation in Japan, the Central Standing Committee of the Korean Medical Society in Japan, the Central Standing Committee of the Union of Korean Students studying at Japanese schools, the permanent council of the Federation of Korean Buddhists in Japan, the Association of Koreans in Japan for Peaceful Reunification and Organisations of the General Association of Korean Residents in Japan (Chongnyon) and its affiliated organisations, the Korean news service, CHOSON SINBO, the Haku Sobang publishing house, the Kumgangsan opera troupe, the institute of Korean affairs, the Korea-Japan exports and imports company, the Tonghae Trading Company, Ltd. and other enterprises, and local headquarters of Chongnyon, the central institute of Chongnyon, Korean University and other Korean schools at all levels and Koreans from all walks of life in Japan.

The messages said that all the Koreans in Japan were commemorating the birthday of Generalissimo Kim Il-song with their longing and warm reverence for him.

They expressed the firm determination of Koreans in Japan to glorify the immortal revolutionary feats of the generalissimo forever, holding him in high esteem for all ages as the eternal sun of the chuche cause, and devote everything to the patriotic work of Chongnyon in step with the efforts of the people in the motherland to make their country, their motherland more prosperous under the wise leadership of Marshal Kim Chong-il.

The messages wished respected Marshal Kim Chong-il good health and long life.

Visits to Kim's Statue Continue

SK1504051795 Pyongyang KCNA in English 0456 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—Foreigners and overseas Koreans called at the statue of the great leader President Kim Il-song standing on Mansu Hill here to pay homage to him on the occasion of April 15.

Among them were the economic and commercial councillors' corps, members of the People's Bureau of Libya and the Russian and Chinese civil aviation offices and officials of Vietnamese, Bulgarian and Cuban embassies in Korea, technicians and company representatives of different countries staying in Korea, and members of home-visiting groups of Korean students in Japan and a home-visiting group of students of Korean University of the General Association of Korean Residents in Japan.

They laid floral baskets and bouquets before the statue and made a bow.

Meanwhile, floral basket-laying delegations of Baishan city, Changbai county and Linjiang city of China visited the statue of President Kim Il-song in Hyesan city, Yanggang Province, to lay floral baskets on the occasion of April 15.

More Foreigners Visit Statue

SK1604090395 Pyongyang KCNA in English 0834 GMT 16 Apr 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, April 16 (KCNA)—Foreign guests visited the statue of the great leader President Kim Il-song standing on Mansu Hill here and expressed boundless reverence for him.

On the 15th of April, a delegation of the Tajikistan Communist Party headed by its Chairman Shodi Shabdolov, a delegation of the Zambian National Assembly led by its Deputy Speaker Fitz Patrick Chuula, a delegation of the Nepalese Parliament led by Vice-chairman of the National Council Dilip Kumar Shahi, a delegation of the Kim Chong-il kindergarten of Mongolia headed by its superintendent T. Yanjin, Chairman of the Zambia-Korea Friendship Association Dickson William Chokoma Matutu, a delegation of the Institute of Korean Affairs of Yanbian University of China and foreign artistes and overseas Korean artistes participating in the 13th April Spring Friendship Art Festival laid floral baskets and bouquets before the statue and paid homage to President Kim Il-song.

On the same day, a delegation of Germany for the study of the chuche idea headed by Michael Koth, vice-chairman of the Communist Party of Germany, laid a floral basket sent by Margot Honecker, widow of former chairman of the State Council of the German Democratic Republic Erich Honecker, before the statue of President Kim Il-song and paid homage to him. And a floral basket sent by Govind Narain Srivastava, secretary general of the Asian Regional Institute of the Chuche Idea, was laid before the statue.

Foreign guests and tourist groups staying in Korea laid floral baskets and bouquets before the statue of President Kim Il-song.

Meanwhile, many delegations and organs of Northeast China laid floral baskets Saturday before statues of the respected leader President Kim Il-song in Kanggye and Chongjin cities on the occasion of his birthday.

Leaders Attend Statue Ceremony

SK1504080095 Pyongyang Korean Central Broadcasting Network in Korean 0228 GMT 15 Apr 95

[FBIS Translated Excerpt] The ceremony to lay floral baskets at the statue of the great leader Comrade Kim Il-song on Mansudae on the occasion of his 83d birth anniversary was held this morning. We will now broadcast recorded coverage of the ceremony.

[Begin unidentified reporter recording] This is Mansudae. In a moment, party and government cadres, soldiers of the People's Army, working people, school youths and children, overseas compatriots, and foreign guests will lay floral baskets at the statue of the fatherly leader on the occasion of the 83d birth anniversary of the great leader Comrade Kim Il-song. [passage omitted]

Participating in the ceremony to lay floral baskets were Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the Administration Council; Comrades Yi Chong-ok, Pak Song-chol, and Kim Yong-chu, members of the Political Bureau of the WPK Central Committee and vice presidents; Vice President Kim Pyong-sik, chairman of the Central Committee of the Korean Social Democratic Party; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of General Staff of the Korean People's Army [KPA]; Comrades Kye Ung-tae, Chon Pyong-ho, and Han Song-yong, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Hong Song-nam, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Yi Ul-sol, Kim Kwang-chin, Kim Pong-yul, Paek Hak-nim, and Kim Il-chol, KPA vice marshals; Comrades Kim Kuk-tae, Hwang Chang-yop, Kim Chung- nin, So Kwan-hui, and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Hwan, Kim Pok-sin, Kim Yun-hyok, and Chang Chol, vice premiers of the Administration Council; Comrade Yun Ki- pok, chairman of the Economic Policy Commission of the Central People's Committee; Comrade Pak Nam-ki, chairman of Pyongyang Municipal Administrative and Economic Committee; Comrade Chon Mun- sop, chairman of the State Inspection Commission of the Central People's Committee; and Yu Mi-yong, chairman of the Chondoist Chongu Party Central Committee. Kwon Sun-ik, vice chairman of the Central Standing Committee of the General Association of Korean residents in Japan, is appearing at the ceremony. Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea [SKNDF], is also seen at the ceremony.

Kang Hyon-su, responsible secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, is making a speech. [passage omitted] [end recording]

Kim Yong-nam Speaks at Meeting

SK1404121495 Pyongyang Korean Central Broadcasting Network in Korean 0704 GMT 14 Apr 95

["Report" by Kim Yong-nam, member of the Political Bureau of the Workers Party of Korea Central Committee and vice premier of the Administration Council, at the central report meeting marking the 83d anniversary of the birth of Kim Il-song held at Pyongyang Stadium—live]

[FBIS Translated Text] Comrades: Today we significantly greet the 83d anniversary of the birth of the respected and beloved leader, when all the people all over the country are registering exploits of loyalty with redoubled strength and courage on the road to implement the leader's behest with heart-piercing adoration and boundless reverence for the great leader Comrade Kim Il-song.

The day of the birth of the great leader Comrade Kim Il-song was the most significant day when our people greeted the chuche sun for the first time in the thousands of years of history and a glorious day when a new era of the Korean revolution began to dawn. [applause]

The birth of the great leader Comrade Kim Il-song was a resplendent dawn of the liberation of the fatherland that shone on this land destroying the darkness, and a historic event that brought forth a fundamental turning point in the destiny of our nation. [applause]

We have grandly commemorated this day of great fortune, the most significant and precious day for our party and people, every year with the presence of the fatherly leader as the revolutionary day of festivity for all mankind amid boundless joy and gratitude. Last year too, we grandly celebrated the April holiday with the presence of the respected and beloved leader amid the boundless good wishes of all mankind with the delegations, delegates, and artistic friendship missions from many countries of the world and overseas compatriots' celebrating groups. Today, however, with the great pain of losing the fatherly leader, we greet this day.

Our people, who have never even dreamed of the fatherly leader leaving us, now greet the April holiday without the presence of the leader any more. Nothing is comparable to this heart-piercing regret and grief.

All of us, who observe the respected and beloved leader's [suryong] historic birthday as the nation's greatest holiday, are now recalling in humble reverence the great leader's [suryong] life that was filled with glory, and are filled with burning resolve to brilliantly complete the chuche revolutionary cause to the end under the leadership of the great leader [yongdoja] Comrade Kim Chong-il by upholding the leader's [suryong] lifetime intentions.

At this place where we greet the meaningful April holiday, we, with all the people's endless admiration and flaming loyalty, pay our most lofty respects to and extend the greatest honor and boundless thanks to the great leader Comrade Kim Il-song, who endowed our people with the true sense of life and endless happiness. [applause]

Comrades, the people's greatest fortune is to have a leader [suryong] who guards and leads their destiny. Only when the people have a great leader [suryong], who makes immortal achievements with brilliant wisdom, outstanding leadership, and lofty personality, and who is absolutely trusted by the popular masses, can they achieve chuche, a high place in history, display the glory of the country and the nation, and victoriously pioneer the road of revolution.

Since the day the revolution of Korea [choson] truly began under the banner of the chuche idea, being blessed with the leader [suryong] has been the greatest happiness our people enjoyed in the turbulent 20th century. Our people have had the great leader Comrade Kim Il-song for the first time in the long 5,000-year national history and have transformed themselves from the most tragic sufferers of history to a great people who climbed to the highest point of history. [applause]

The founder of our nation is Tangun, but the founder of the socialist Korea is the great leader Comrade Kim Il-song. [applause] Without the great leader [suryong], we cannot talk about today's Korea, which is shedding light on the world, or even think about the high dignity, honor, and pride of our nation. When the respected and beloved leader Comrade Kim Il-song was alive, we were always impressed by the leader's greatness; since we lost the leader, we feel more ardently in our hearts what a great leader our people had and how greatly we were blessed with the leader.

Our people's contemporary history, which is full of heroic events and historic development, proves that the people's greatness does not depend on the size of territorial land or population but on what kind of leader [suryong] they have. Today, our people's greatness is shining generation after generation because the great leader's [suryong] leadership is firmly continuing generation after generation. [applause]

Mankind's history has recorded numerous famous leaders [yongdoja] but does not know of a leader [suryong] like the great Comrade Kim Il-song. The Korean communists do not believe in God, but they can say in confidence that the great leader Comrade Kim Il-song is a great man sent by God. [applause] The respected and beloved leader Comrade Kim Il-song was a peerless great man, whose ideological and theoretical wisdom, leadership, and personality were unrivaled by anyone. It is difficult to see even one such great man in a century.

There were a few great men in history who have distinguished themselves with their extraordinary qualities and traits. However, there were no figures like the respected and beloved leader Comrade Kim Il-song, who was the greatest of great men who had all the qualities and traits on the highest level.

The noble character and capacity that attracted the people in an instant, clairvoyant insight and farseeing wisdom, deep insight into and extensive knowledge of all things, boundlessly warm human love, prominent oratory, and all the other qualities of the respected and beloved leader that were cherished, have been widely spread as a legend and valuably placed in the people's minds as immortal features.

During the long period in which the storm of revolution began to rise in the world—from the 1920's to the middle of the 1990's—the respected and beloved leader Comrade Kim Il-song was a peerless hero of the nation and a dear leader [wollo suryong] of the world's revolution who triumphantly led the Korean revolution in the forefront and accomplished the immortal achievements for mankind's independent cause, the socialist cause. [applause]

Across the ages and countries of the world, there was no leader [yongdoja] like the respected and beloved leader Comrade Kim Il-song who accomplished in his lifetime the great feats that will be immortal with the century. [applause]

Owing to the great undertakings of history that successfully led the tested struggle, the ideological attraction that guided mankind's independent cause, abundant feats accomplished before the era and revolution, the respected and beloved leader Comrade Kim Il-song's revolutionary activities are shedding their light as the revolutionary activities of the greatest leader of the working class and the working popular masses of the world, not just within the boundary of one country, one nation. [applause]

The most valuable ideological and spiritual asset handed down from the great leader Comrade Kim Il-song to our people and mankind is the immortal chuche idea. [applause]

The destiny of the people can be pioneered when it is guided by a correct idea. Likewise, a socialist society can be triumphantly built only when there is a correct idea. Comrade Kim Il-song, an outstanding thinker and theoretician, originated the chuche idea that satisfactorily reflects our era's demand and the popular masses' aspiration, endowing the popular masses with liberty and freedom, and an invincible ideological weapon for socialism. On the basis of his scientific insight into man's essential qualities, the great leader Comrade Kim Il-song, for the first time in history, has elucidated a new philosophical principle centered on the people and a social and historical principle that could not be expounded by the working class' preceding theories. In addition, he expounded the leading principles for the revolution and construction. By doing so, the popular masses came to have a true leading idea of the independent era. [applause]

During the long period of successfully leading the Korean revolution and the world revolution, based on the chuche idea, the great leader [suryong] Comrade Kim Il-song gave scientific answers to all theoretical and practical questions arising in revolution and construction. By doing so, he achieved a fundamental turning point in the development of the revolutionary ideology of the working class and made immortal contributions to the development of man's ideology. [applause]

Today, the most correct guideline to realize the popular masses' independence in the world is the revolutionary ideology of the great Comrade Kim Il-song, and due to its justness and vitality, the chuche idea is becoming a torch brightly elucidating the future road of the era by adhering to the world's progressive men's hearts; a lever moving the earth; and a locomotive advancing the revolution. [applause]

The respected and beloved leader [suryong] Comrade Kim Il-song was not only a gifted thinker and theorist, but he was also a great revolutionist and a holy man [songja] of the revolution. [applause]

When viewing man's long history, there was no indomitable revolutionary like the respected and beloved leader [suryong] Comrade Kim Il-song who has both literary and military accomplishments and who devoted even the last moment of his life to the victory of the popular masses' independent cause and socialist cause.

Entered in the records of heroic struggle and feats of a revolutionary devoting everything to the people's freedom and happiness is that every day in the sacred life of the respected and beloved leader [suryong] Comrade Kim Il-song is engraved as the greatest and most sacred heroic revolutionary epic. [applause]

The respected and beloved leader [suryong] Comrade Kim Il-song advanced toward the road of revolution at a young age when he was in his teens, became a youth general in his twenties, and won a worldwide reputation of as a legendary hero. He also (?crushed) the 1 million strong force of the Japanese imperialists, and developed the Korean communist movement and the struggle for the nation's liberation to a new high stage.

In his thirties, Comrade Kim Il-song, a peerless patriot and an ever-victorious, iron-willed commander, defeated the Japanese imperialists; liberated the fatherland; and realized the historic cause of founding the party, the nation, and the Army. In his forties, he defeated the U.S. aggressive imperialists that boasted of being the world's strongest power, thus highly manifesting the nation's dignity and honor to the whole world. [applause]

Comrade Kim Il-song who is a genius of creation and construction, plowed through the path never before walked by anyone, and uniquely carried out the two complicated and serious stages of social revolution and various stages of socialist construction according to our own style, thus he vigorously built on this land a strong socialist country of self-dependence, self-support, and self-reliant defense, and created a worldwide model of socialism.

Throughout his life, the respected and beloved leader Comrade Kim Il-song overcame all pains and trials a man could suffer on the road of revolution with his invincible will. Without a moment of rest, he devoted himself to the struggle for the party and revolution, and for the fatherland and the people. He energetically carried out activities to accelerate the socialist construction, improve the people's living standards, and expedite the reunification of the fatherland up until the last moment when his great heart stopped beating.

During each of the historic days, the respected and beloved leader Comrade Kim Il-song could not forget the revolutionary comrades and fighters, who devoted themselves to the fatherland and revolution during the bloody anti-Japanese struggle, and during every phase and step of our revolution. Kim Il-song showed the lofty deeds and brilliant model of the ardent comradely love of a great revolutionist by giving his love to the bereaved children of the revolutionary fighters. Even during the last days of his valuable life, the respected and beloved leader Comrade Kim Il-song searched and met with all the families and relatives of those engaged in the revolution struggle, and the bereaved children of the revolutionary martyrs at home and abroad. He extended great parental benevolence to them and cultivated an unprecedented legend of love. [applause]

Comrade Kim Il-song, who is the model of a great revolutionist and a communist fighter, invariably and firmly walked along the single road of revolution with the loftiest revolutionary sense of organization and boundless modesty. Throughout his revolutionary activities, the respected and beloved leader did not want any sudden changes and presented a brilliant model of revolutionary organization with a high concept of organization. He implemented and executed all the work designed and intended by himself after discussion with the party Central Committee.

The respected and beloved leader Comrade Kim Il-song foresaw his future and cleanly concluded all the work he could, and with more strength and effort, he consumed his heart for the fatherland and revolution up until the last day of his life. He was a great incarnation of revolution, who passed away in his office [chimmusil], leaving a permanent echo with our people and the world's revolutionary people. [applause]

The respected and beloved leader Comrade Kim Il-song was a great politician, who strengthened and developed our party into a mature and tested chuche-type revolutionary party and firmly tied all the people to the party, and who established the most superior, popular masses-centered socialism in the East of the world. [applause]

Based on the brilliant tradition of the anti-Japanese revolution, the great leader Comrade Kim Il-song completed the great feat of the founding of our party at a right time in the chaotic and complicated political situation following the liberation. He made an immortal achievement by strengthening and developing our party into a popular party encompassing workers and farmers, as well as the progressive elements of working intellectuals, for the first time in the history of the communist movement. [applause]

The respected and beloved leader Comrade Kim Il-song elucidated a profound truth that the decisive guarantee to achieve victory in implementing the popular masses' independent cause is strengthening the revolution's main force and enhancing its role. Thereupon, he turned our entire society into a big, happy, revolutionary family in which the leader [suryong], the party, and the masses share destiny together, and on the basis of its indomitable strength, effected endless upsurges in the revolution and construction.

The single-hearted unity among the leader [suryong], the party, and the masses achieved in our country is the solidist cohesion and unity of ideological will and the cohesion and unity of moral obligation that is realized on the highest level that could not be achieved by any other's working-class party. Our single-hearted unity is a fundamental source that guarantees the invincibility and eternity of our country's socialism. [applause]

The respected and beloved leader Comrade Kim Il-song was a great teacher and a benefactor who brought up our people as brilliant people who know the revolution and the fatherland, and who are endlessly loyal to their leader [suryong] and party. [applause]

Thanks to the great leader Comrade Kim Il-song's wise leadership, our people could completely free themselves from the bigoted evils of flunkeyism and dogmatism that gnawed away at the people's revolutionary consciousness for generations and came to have the true spirit for national independence, and are brought up as a people who have a keen sense of duty and noble virtues, devoting all their loyalty and filial piety to their leader [suryong] and their leader [yongdoja], being equipped with a thoroughgoing outlook on revolution and morality. The words of loyalty and filial piety toward the leader [suryong] and the leader [yongdoja] can only be used in our country. Bringing up such brilliant people who have deep loyalty and filial piety is the big achievement of the great leader Comrade Kim Il-song. [applause]

The great leader Comrade Kim Il-song's most remarkable farseeing wisdom is that he perfectly solved the question of succession to leadership in our country for the consummation of the chuche revolutionary cause. [applause]

Witnessing the tragic incident in which socialism collapsed and capitalism revived in some countries in recent years, we relive how fortunate we are and how wise the great leader Comrade Kim Il-song is to have consolidated the ideological foundation of the party's organizations and the leadership system with clairvoyant wisdom for the future development of our revolution.

Today, in our country, the indomitable Workers Party of Korea firmly stands at the center of the revolutionary ranks, and the popular masses, who have overcome all sorts of trials, while sharing the destiny with the party in the course of the protracted revolutionary struggle, loyally uphold the party's leadership, single-heartedly united around the great leader [yongdoja] Comrade Kim Chong-il.

The whole party, the entire people and the whole Army have become a strong driving force to carry forward the chuche revolutionary cause generation after generation, closely united in mind and morality around the great leader Comrade Kim Chong-il. This is the most precious, immortal exploits the great leader [suryongnim] had performed for our party, revolution, and people, devoting all his energies. [applause]

The respected leader Comrade Kim Il-song was the benevolent father of the people and was a great man who, assuming the idea of treasuring people as heaven as his motto throughout his whole life, brilliantly embodied the motto. [applause]

The great leader Comrade Kim Il-song, who regarded it as his disposition to respect and love the people, always mingled with the people and shared pains, difficulties, trials, sorrow, and joy with them. While giving out everything that was good to the people, he himself led a frugal and plain life.

The great leader, regarding the people as heaven, loved the people and linked every precious thing to the name of the people. Thus, he inserted the word 'people' in our national title and even named the Army the People's Army. He saw to it that the great study hall and cultural palace are called the great people's hall of study and the people's palace of culture and that hospitals are called the people's hospitals.

All popular policies implemented in our country, and great benefits and favors extended to each household and individual person by our party and state are a precious fruition of genuine politics of benevolence and humanity that were generated by the great leader Comrade Kim Il-song's boundless love of and trust in the people. [applause]

The love extended to our people by the great leader Comrade Kim Chong-il was the most devoted, positive, and passionate love of all loves cherished by mankind.

Because the great leader Comrade Kim Il-song cherished warmest love for the people, he constantly embarked on the long road of on-the-spot guidance with tireless passion despite his advanced age of more than eighty, and on this road, he rendered all the honors and happiness to our people that he could give to them. [applause]

The entire course of the great leader Comrade Kim Il-song's brilliant and glorious revolutionary activities was closely linked to the lofty sense of mission for the destiny of all Korean people and mankind.

The great leader Comrade Kim Il-song, saying that the reunification of the country is the biggest gift he wanted to present to the people, made all possible efforts to resolve the reunification issue.

Thanks to the great leader Comrade Kim Il-song's wise leadership and tireless efforts, all the fellow countrymen in the North, the South, and overseas could turn out as one in achieving national unity and the cause of reunification, transcending the differences in political views, religious belief, and ideologies, to launch the pannational reunification movement and, thus, a broad avenue has been opened for national reunification.

Because of the heaven-like-broad and sun-like-hot great bosom of the respected leader Comrade Kim Il-song, even those who stood in the anticommunist front by betraying the fatherland and the people in the past entered a turning point of genuine life and devotedly struggled for the sacred cause of loving the nation and the people. Thus, a miraculous event took place.

Under the rays of the chuche-based idea on the overseas compatriots' movement clarified by the great leader Comrade Kim Il-song, the overseas compatriots' movement, too, is making great strides.

Today, the 700,000 Korean residents in Japan and all other compatriots residing in different parts of the world, including Asia, Europe, and the Americas, are turning out as one in the struggle for the country and the nation, remaining loyal to the leadership of the great leader Comrade Kim Chong-il, with high pride and honor of being members of the Kim Il-song nation, the nation that has the respected leader as the father of chuche Korea. [applause]

The great leader Comrade Kim Il-song, during the whole period of his revolutionary activities, closely linked the national mission of the revolution to the international mission by upholding the banner of struggle against imperialism—the banner of independence—and conducted his tireless energetic activities for the victory of the socialist cause the world over, strengthening and development of the Nonaligned Movement, peace of mankind, and friendship and unity among peoples.

Today, the ranks of people aspiring after independence and struggling for the revival of socialism are daily growing in the teeth of all manner of intrigues and cunning moves of the imperialists and reactionaries. This fact clearly proves the correctness and vitality of the outstanding idea and line on global independence and the world revolution of respected Comrade Kim Il-song, the great teacher of the international working class and progressive mankind. [applause]

Indeed, the respected leader Comrade Kim Il-song made immortal, everlasting achievements before the fatherland, revolution, the times and history with uncommon ideological and theoretical activities and great revolutionary practice during the long period of his life, over eighty years, and wisely led in the vanguard the struggle for complete emancipation of mankind and for their everlasting prosperity. He is the great sun of chuche. [applause]

Because the respected leader Comrade Kim Il-song's revolutionary idea is illuminating our future, because the immortal achievements attained by the leader [suryongnim] became solid and precious assets of the revolution, and because the leader's great love and benevolence warmly embraced all of us, the chuche sun is brightly shinning today generation after generation. [applause]

The great leader Comrade Kim Il-song is with us forever, and will live forever as the immortal sun brightly illuminating the future of mankind's cause of independence. [applause]

Comrades, it is the most sacred duty of our people for the times and history to fully carry forward and successfully accomplish through generations the glorious revolutionary cause of chuche initiated and led by the respected leader Comrade Kim Il-song throughout his entire life.

The great leader Comrade Kim Chong-il has pointed out: To defend and carry forward generation after generation the revolutionary idea and achievements of the leader who started the revolution, is a fundamental guarantee for victory in the revolution and a noble duty of those who carry out the revolution.

For genuine revolutionaries and communists, it is a demand of life, conscience, and principle, rather than a duty, to invariably and loyally uphold the leader, who started the revolution, and his cause.

The communist morality is the purest and loftiest morality, and the basic core in the communist morality is loyalty to the leader.

The long history of international communist movement and today's reality show that the touchstone that distinguishes a genuine revolutionary from a betrayer is the attitude toward the leader [suryong] who started the revolution and his cause.

For genuine communists, the pledge they made during the leader's lifetime and the pledge they made after his death cannot be inconsistent.

Today, the world is respectfully looking up amid endless fascination the unswerving loyalty, noblest morality, and sense of obligation cherished by Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, to the respected leader [suryongnim] and to the chuche cause. [applause]

As they are led by the great leader [yongdoja] Comrade Kim Chong-il, our party and people have the highest honor of carrying forward the traditions of the revolution, established by the respected leader Comrade Kim Il-song, with the purest conscience and sense of obligation. [applause]

By always preciously cherishing such lofty national honor and noble virtue, we should uphold the fatherly leader forever, better than during his lifetime and should focus all efforts and strength on accomplishing the leader's [suryongnimui] revolutionary cause.

For our people, the great leader Comrade Kim Il-song's ideas are the best, the achievements made by the leader [suryongnim] are the best and the Korean nation which the leader [suryongnim] glorified is the best. [applause]

By upholding the slogans of faith put forward by our party, "The great leader Comrade Kim Il-song is with us forever!" and "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideas!" all party members and workers should advance along only the single road of revolution, which the respected leader traversed, for hundreds and thousands of years, and should carry out all works only in the manner of the leader. [applause]

We should always proudly cherish the honor of Korea in holding in high esteem the great leader Comrade Kim Il-song for the first time in several thousand years of history. We should advance by grasping the chuche idea—the respected leader's revolutionary idea—as the permanent guiding idea of our revolution. We should tenaciously defend and maintain the chuche revolutionary tradition and immortal revolutionary achievements made by the leader [suryongnim], and glorify them forever generation after generation. [applause]

Thus, we should restore the communist morality, which was disturbed by the betrayers of socialism within the international communist movement, and should vigorously display to the whole world the purest revolutionary integrity and outlook on morality cherished by the Korean communists and people. [applause]

Loyalty can be genuine when it has historic continuity.

Today, before the head of our revolution stands Comrade Kim Chong-il, a great inheritor of the chuche revolutionary cause and an outstanding leader of our party and people, and the supreme commander of the revolutionary armed forces. [applause] Comrade Kim Chong-il—equipped with both literary and military accomplishments and loyalty and filial duty—is today's Comrade Kim Il-song who has inherited the idea, leadership traits, and noble virtues of the respected and beloved leader Comrade Kim Il-song. In faithfully upholding Comrade Kim Chong-il's leadership lies a true road to endlessly looking up to the great leader [suryongnim] and realizing all the leader's lifetime intentions and plans. [applause]

All the party members, working people, and People's Army officers and men should devote loyalty and filial duty that they failed to render to the fatherly leader to the road of holding in high esteem the respected Comrade Kim Chong-il. They should remain endlessly loyal to the leadership of the party.

By cherishing rock-firm faith that as long as there is the great leader Comrade Kim Chong-il, we are not afraid of any formidable enemy in the world, and we will win victory without fail, we should loyally and absolutely worship and follow only our leader. We should become loyal subjects and rifles and bombs, reliably safeguarding the respected comrade supreme commander politically and ideologically and with their lives under any adverse situation. [applause]

All party members and working people should deeply study the chuche-based socialist ideas and theories of the great leader Comrade Kim Chong-il, which are the banner of victory in the socialist cause in our era, and should make them their solid faith. They should think and act only in accordance with the idea and intention of the party at any time and any place.

The single-hearted unity around the leader [yongdoja] is the basic principle of our revolution and a fundamental guarantee for all victories.

By purely inheriting the tradition of single-hearted unity centering on the leader [suryong] that has been historically formed, consolidated, and developed since the period of the pioneer of the Korean revolution, we should unite over and over again around Comrade Kim Chong-il, who is the destiny and future of our fatherland and nation. Also, the entire party, all the people, and the entire Army should strengthen the revolutionary discipline and order in which they unanimously act under the leadership of the party Central Committee centering on Comrade Kim Chong-il. [applause]

Faith in the party and the leader [suryong] should be highly displayed in a practical struggle in which we realistically glorify the leader's [suryong] intent and cause. Making our country become more prosperous and strong was the intent and the cause of the great leader Comrade Kim Il-song during his lifetime, who contributed his all throughout his whole life to the country's growth and prosperity, as well as to the people's freedom and happiness.

All party members and working people should firmly unite around the party, in a single heart and intent, as befitting fighter and son of the great leader [suryong] and, thus, should devote all their efforts to make our socialist Korea established and glorified by the respected and beloved leader [suryong] become the country of Comrade Kim Il-song that will be glorified forever by the leader's esteemed name, as well as become a prosperous nest of life and happiness in which the Kim Il-song nation lives, upholding the New Year's significant and congratulatory letter from the great leader [yongdoja] Comrade Kim Chong-il. [applause]

All functionaries, party members, and working people should work more vigorously than ever before and should implement all works as demanded by the teachings of the great leader's [suryong] behest, upholding the party's combatant slogan "Let us greet the 50th anniversary of the founding of the Workers Party of Korea with a high sense of political zeal and the brilliant labor success." As a result, they should make this year, a significant year, become the most brilliant and victorious year in the history of our party and fatherland. [applause]

For the present, we should make efforts to effect a greater upturn in enhancing the people's standard of living by firmly adhering to the party's revolutionary economic strategy; by thoroughly implementing the three tasks, such as the agriculture-first policy, light industry-first policy, and trade-first policy; by giving priority to the power industry, the coal industry, and railway and transport; by giving an impetus to developing the metal industry; and by enhancing the county's role.

All functionaries, party members, and working people should establish ethos to unconditionally and endlessly consummate the party's policy, as well as glorify each moment of their life with a feat of loyalty by displaying the revolutionary spirit of self-reliance and fortitude with the spirit and work style demonstrated during the great upsurge of chollima, overflowing with a firm conviction in socialism under the active slogan reading "What the party decides, we will do."

In particular, functionaries, commanding members of the revolution, should work and live in a revolutionary manner with a more strained and mobilized position than ever before and should go deep down to the people as demanded by the party's slogan "Serve the people" and should become the diligent and sincere housekeepers [sallimgun], the true fighters of the motherly party, who are devotedly working for the people, even eating meals with them, while deeply grasping a high sense of responsibility and heavy missions assigned before the party and the revolution.

We must thoroughly establish the social ethos of attaching importance to military affairs in conformity with the demand of the prevailing situation so that we may further strengthen the People's Army—the revolutionary Armed Forces of our party—and all the people may sincerely learn military affairs and highly display the traditional virtue of Army-people unity.

Reunifying the country as soon as possible, upholding the behest of the great leader Comrade Kim Il-song, is the foremost task of the nation. Under the banner of the three principles—independence, peaceful reunification, and great national unity—and the 10-point program for the great unity of the whole nation, which the respected and beloved leader Comrade Kim Il-song put forth in his lifetime, we must vigorously accelerate a pannational grand reunification march under the wise leadership of the great leader Comrade Kim Chong-il and achieve reunification in the nineties without fail so that we may realize the fatherly leader's lifelong wish. [applause]

We will bear deep in our hearts the boundless painstaking efforts and noble will of the great leader Comrade Kim Il-song throughout his life for the progress and peace for mankind, and further strengthen friendship and unity with the peoples of various countries of the world under the ideals of independence, peace, and friendship so as to actively contribute to building the independent new world which is free from all sorts of domination and subjugation and which is peaceful and prosperous.

The road of the revolution we should follow is still long and rugged, but our victory is certain and the chuche socialist cause will triumph forever as long as the great leader Comrade Kim Chong-il stands at the head of the revolution, there is wholehearted unity of our revolutionary ranks firmly united around the party and the leader, and we have a strong self-reliant national economy and invincible self-defending national defense. [applause]

On this occasion of commemorating the significant holiday of April, we offer once again the greatest respect and everlasting glory to the great leader of our party and our people Comrade Kim Il-song—the eternal sun and father of the nation—with the boundless reverence and loyalty of all the people. [applause]

Long live the revolutionary ideology of the great leader of our party and our people Comrade Kim Il-song! [applause] Long live the glorious Workers Party of Korea, the organizer and guide of all victories of the Korean people. [applause]

Railway Line Project Completed

SK1704122395 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 12 Apr 95

[FBIS Translated Text] The electrification of the railway line between Kan-ri and Sijong has been completed, opening on the occasion of the birthday of the great leader Comrade Kim Il-song.

With the electrification of this railway section being completed, a unified system of haulage by electric locomotives has been completed; transportation capacity will increase by 3.1 times compared to previously; and the cultural level and safety in transportation will be better ensured.

Workers of the Pyongyang Railway Bureau, and those of the transmission line construction enterprise and other assisting units who had participated in the electrification of the railway line, completed the project in a short time by waging a persistent labor struggle with fervent loyalty toward the party and leader [suryong].

The great leader [yongdoja] Comrade Kim Chong-il sent thanks to the workers of the Pyongyang Railway Bureau, as well as those of the transmission line construction enterprise and other assisting units, who brought about labor feats by participating in the electrification of the railway line between Kan-ri and Sijong.

A meeting took place yesterday at Kan-ri Station to deliver the great leader [yongdoja] Comrade Kim Chong-il's thanks and to open the electric railway line between Kan-ri and Sijong. Yi Yong-mu, chairman of the Transportation Commission, and other pertinent officials attended the meeting with workers of the Pyongyang Railway Bureau.

Thanks from the great leader [yongdoja] Comrade Kim Chong-il were delivered with the enthusiastic clapping of the participants. Kim Won-son, chief of the Pyongyang Railway Bureau, delivered a report on the opening of the electrified railway line. When a red tape was cut after the meeting, a train vigorously moved toward its destination.

Chongsu Reclamation Ceremony

SK1704143995 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 12 Apr 95

[FBIS Translated Text] On the occasion of the birthday of the great leader Comrade Kim Il-song, the Chongsu Island reclamation project has been completed. Under our party's far-reaching nature- remaking plan, the Chongsu Island reclamation site was constructed. As a result, grain production can be further increased in South Hwanghae Province, a grain basket of the West Sea [Yellow Sea].

A dedication ceremony took place on 10 April at the Chongsu Island Reclamation Site. Paek Pom-su, secretary of the South Hwanghae Provincial Party Committee and chairman of the South Hwanghae Provincial People's Committee; Choe Hung-chu, chairman of the South Hwanghae Provincial Administrative and Economic Guidance Committee; other pertinent officials; and employees of the Chongdan Reclamation Construction Complex attended the dedication ceremony.

A letter of thanks from the Workers Party of Korea [WPK] Central Committee was delivered to officials and employees of the Chongdan Reclamation Construction Complex who had successfully carried out the Chongsu Island reclamation project, with the enthusiastic clapping of the participants.

In the letter of thanks, the WPK Central Committee points out that it extends warm thanks to the workers, technicians, and officials of the Chongdan Reclamation Construction Complex who, upholding our party's large-scale nature-remaking plan, had successfully finished the Chongsu Island reclamation project by displaying the spirit of patriotic devotion. The letter of thanks also says that builders who had stood up to participate in the Chongsu Island reclamation project have upheld the slogan "What the party decides, we will do!"; courageously overcome difficulties; and finished the difficult project of reclaiming an area of over 1,000 chongbo [one chongbo equals 2.45 acres] in a short period of time.

The letter of thanks goes on to say: The builders acquired the various equipment and fuel necessary for the project on their own by displaying the revolutionary spirit of self-reliance and arduous struggle, which asks them to resolve everything with their own strength even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them. They also applied advanced construction methods, pushed ahead with the project on a grand scale, and ensured the quality of construction.

The letter of thanks also points out that designers at the Reclamation Design Enterprise helped the Chongsu Island reclamation project by providing designs in a timely manner to ensure that reasonable construction methods were introduced so as to use local materials to the utmost.

The letter of thanks also points out that in the construction struggle, party members and workers of the Chongdan Reclamation Construction Complex displayed a revolutionary spirit of upholding our party with loyalty, and implemented the party's task based on the principle of absoluteness and unconditionality.

In the letter of thanks, the WPK Central Committee points out that it highly assesses the Chongdan Reclamation Construction Complex for bringing about great labor achievements in the worthwhile struggle to carry out the Chongsu Island reclamation project.

Paek Chung-chi, secretary of the primary-level party committee of the Chongdan Reclamation Construction Complex, delivered a report on the dedication.

A red ribbon draped on the bank of the reclaimed area was cut, and the participants looked about Chongsu Island's newly reclaimed area.

Children's Union Holds Meeting

SK1604050895 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 15 Apr 95

[Joint national meeting of organizations of the Korean Children's Union on the 83d anniversary of the birth of late President Kim Il-song held in Mangyongdae on 15 April —recorded]

[FBIS Translated Excerpt] This is the Mangyongdae Revolutionary School. The Mangyongdae Revolutionary School is located at the historic Mangyongdae where the great sun of the revolution rises. The place is beautifully decorated. The Children's Union members, who are blossoms of the country and successors to the revolution, are coming toward the wide place of the meeting, cherishing in their hearts the dignity and pride in which they freely enjoy their boundless happiness in the world.

The face of students, children, and participants—who come toward the place of the meeting with their iron-like faith that the great leader Generalissimo Kim Il-song is with us forever, highly upholding him in their hearts—

are warmly animated with their admiration for the great leader Comrade Kim Il-song, who contributed his whole life to the growth of the country, the people's happiness, and the bright future of the new generations during the protracted period from the day he embarked upon the revolutionary road by personally carrying the destiny of the fatherland and nation on his shoulders since his teenage years up to this date [as heard], as well as with the high resolution to vigorously prepare reserves for the socialist and communist construction and to endlessly consummate the chuche revolutionary cause.

Slogans reading "Hurrah for the great leader Comrade Kim Il- song!" and "Hurrah for the glorious Workers Party of Korea [WPK]" were hung around the meeting site, including other slogans stating "The respected and beloved Generalissimo Kim Il-song is with us forever," "Let us more thoroughly arm ourselves with the revolutionary idea of the respected and beloved father, Generalissimo Kim Il-song," "Let us follow and learn the youth day of the respected and beloved father, Generalissimo Kim Il-song," "Let us always prepare for the respected and beloved General Kim Chong-il," and "Let us follow and learn the glorious youth days of the great leader [yongdoja] General Kim Chong-il." Implanted in balloons, which rise highly, are letters reading "The immortal 15 April" and "Loyalist and dutiful children."

Present there were delegates from each provincial Children's Union, students and children from Pyongyang, education functionaries, the League of Socialist Working Youth of Korea functionaries, veterans, soldiers of the Korean People's Army, workers, and students parents. Invited there were also members of the visiting group of the General Association of Koreans Residents in Japan who are stying in the socialist fatherland; members of foreign embassies in our country and their children.

Appearing on rostrum were comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the State Administration Council; Comrade Pak Song-chol, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Choe Tae-pok, alternative member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Paek Hak-nim, vice marshal of the Korean People's Army; Comrade Kim Chung-nin, secretary of the WPK Central Committee; Comrade Chang Chol, vice premier of the State Administration Council; Kang Hyon-su, chairman of the Pyongyang Municipal People's Committee and responsible secretary of the Pyongyang municipal party; Choe Yong-hae, chairman of the League of Socialist Working People of Korea; functionaries from relevant sectors; anti-Japanese revolutionary fighters; heroes; and other model members of the Children's Union. [passage omitted on ceremony]

Mass Gymnastic Display Held

SK1504215895 Pyongyang KCNA in English 1508 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—The mass gymnastic display "The great leader of people" was performed today at the Kim Il-song stadium by 50,000 students and school children in Pyongyang on the 83rd birth anniversary of the great leader President Kim Il-song.

The display was watched by Premier Kang Song-san and Vice- presidents Yi Chong-ok and Pak Song-chol who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea, Vice-president Kim Pyong-sik who is chairman on the Central Committee of the Korean Social Democratic Party and party and government cadres, working people in the city and People's Army soldiers.

Among the spectators were Kwon Sun-hui, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon); Yi Chong-sang, chief of the Pyongyang Mission of the National Democratic Front of South Korea, officials of overseas and regional headquarters of the National Alliance for the Country's Reunification, overseas Koreans' delegations and visiting groups and overseas compatriots from different parts on the world, diplomatic envoys of different countries in Korea, foreign guests and artistes of different countries who are participating in the 13th April Spring Friendship Art Festival.

The mass gymnastic display consists of six chapters including "The great leader Comrade Kim Il-song will always be with us," "The leader held in high esteem in the 5,000-year-long national history," "Peerless great man Comrade Kim Chong-il," and "We pledge". The display shows on a grand epical canvas the imperishable revolutionary exploits performed by the respected leader President Kim Il-song devoting his whole life to the accomplishment of the socialist cause of chuche, the cause of independence of the popular masses and the unshakable will of the Korean people to accomplish the revolutionary cause of chuche under the guidance of the great leader Comrade Kim Chong-il, holding him in high esteem.

The mass gymnastic display left deep impression to the spectators for its high ideological and artistic level, refined skill and strong organisation and discipline.

Documentary on Farms Released

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[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The Korean Documentary Film Studio recently released the documentary film "Conversion

Into State-run Farms" on the occasion of the 83rd birth anniversary of the great leader President Kim Il-song.

This film is the second part of the documentary film "Along Footprint of Glory".

The film deals with the leadership and exploits of President Kim Il-song who, looking forward to the future victory in the rigorous fatherland liberation war (June 1950-July 1953) deciding on the destiny of the country, initiated the construction of a state-run farm and expanded farm No.5 in the northern area which was no more than a district farm and converted it into the Taehongdan County Integrated Farm.

It also shows the tremendous transfigure of the state-run Anak Farm, the Sonbong County Integrated Farm and the Yongyon County Integrated Farm which have creditably been built under the wise leadership of the president.

Introducing Sukchon County Agricultural Complex and the Mangyongdae District State-run Farm which were formed under the wise guidance of the great leader Comrade Kim Chong-il who is successfully carrying out the far-reaching plan of President Kim Il- song for rural construction, the film indicates that state-run farms and agricultural complexes with county as a unit will continue to be formed in the future, too.

Papers Commemorate Anniversary

SK1504054395 Pyongyang KCNA in English 0509 GMT 15 Apr 95

[FBIS Transcribed Text] Pyongyang, April 15 (KCNA)—Pyongyang-based papers today edit special write ups on the 83d birth anniversary of the great leader President Kim Il-song, the spring holiday common to the humankind.

NODONG SINMUN and MINJU CHOSON carry editorials under respective titles "Let Us Accomplish the Cause of the Great Leader Comrade Kim Il-song Under the Leadership of the Party" and "Let Us Exalt the Revolutionary Exploits of the Great Leader Comrade Kim Il-song".

NODONG SINMUN carries a political essay titled "They Are Always With Each Other for the People", with a photograph of the great leader President Kim Il-song and the great leader Comrade Kim Chong- il discussing work.

NODONG SINMUN devotes two pages to photos. Among them are a photograph showing a sloganboard reading "The Great Leader Comrade Kim Il-song Will Always Be With Us", a picture of President Kim Il- song standing with a broad smile in his face and a picture of many people visiting the native house of President Kim Il-song in Mangyongdae. Also seen there are photographs showing the Korean people who are further exalting their country, their motherland.

MINJU CHOSON under the blockletter title "The Great Leader Comrade Kim Il-song Will Always Be With Us" frontpages an ode "Eternal Spring of People" with a portrait of President Kim Il-song.

The paper carries a political essay "Leader of People" and an article and photograph on Mangyongdae, the cradle of revolution, under the crossletter title "We Will Hold in High Esteem the Great Leader Comrade Kim Il-song Forever!".

The papers give an account of the grand national meeting held here Friday to commemorate the birth anniversary of President Kim Il-song and carry a report and a speech made at the meeting under the title "The Great Leader Comrade Kim Il-song Is the Eternal Sun of Chuche".

Carried in papers are letters sent to Comrade Kim Chong-il by the Central Committee of the National Democratic Front of South Korea and the Central Standing Committee of the General Association of Korean Residents in Japan on the 83d birth anniversary of President Kim Il-song.

The press informs the readers that Comrade Kim Chong-il sent educational aid fund and stipends to Korean children in Japan on the birth anniversary of President Kim Il-song.

On the same occasion floral baskets came from Palestinian President Yasir 'Arafat and Japanese figure and organisations, says the press.

The press says that foreign guests and overseas Koreans laid floral baskets and bouquets before the statue of President Kim Il- song on Mansu Hill here on the occasion of the 15th of April.

Given in the press is a photo-accompanied account of the 13th April Spring Friendship Art Festival now under way in Pyongyang on the birthday of President Kim Il-song.

Conspicuous in the press are reports about various functions held in different countries on the 83d birth anniversary of President Kim Il-song.

Kim Il-song's Cause Eulogized

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[NODONG SINMUN 15 April editorial: "Let Us Complete the Cause of the Great Leader Comrade Kim Il-song to the End Following the Party's Leadership"]

[FBIS Translated Text] Today, our revolution is at a great historical turning point. Upholding the great leader Comrade Kim Il-song's teaching of his lifetime, all party members and working people are vigorously launching themselves on the sacred struggle to make our country and our fatherland more prosperous. We mark the 83d birthday of the great leader Comrade Kim Il-song in a magnificent situation in which the extraordinary determination and victorious will to complete the revolutionary cause to the end following the party's leadership is prevailing in the entire country.

Our party and people commemorate the 15th of April for the first time in history without the great leader Comrade Kim Il-song. It is truly heartbreaking and regretful to our people, who have formed an unbreakable harmonious unity with their leader [suryong]. The birth of the great leader Comrade Kim Il-song was one unprecedented historic event in the thousands-year history of our nation, and the most significant turning point that marked the dawning of a new era in history—the era of independence. The glorious history of the Korean [choson] revolution, the proud reality of our country and our fatherland, and the bright future of mankind are all linked with 15 April.

Every year on the historical 15 April, it has been a lofty tradition for our people to reconfirm the vow to more rigorously fight on following the leader's [suryong] leadership, while bearing boundless faith in the great leader Comrade Kim Il-song. The hearts of our people are filled with the yearning for the great leader Comrade Kim Il-song and the pure minds wanting to uphold the leader [suryong] forever are flaring up higher. The benevolent image, the holy name, and the immortal achievement of the great leader Comrade Kim Il-song, along with the ever-victorious chuche revolutionary cause, are shedding brilliant light as the banner of advance and struggle, and as the symbol of a hundred victories in a hundred wars.

Today, the great leader [yongdoja] Comrade Kim Chong-il is standing at the front of the historical struggle for the completion of the chuche revolutionary cause. On the significant 15 April, all party members and people are bearing deep in their hearts the great honor of being blessed with the leader [suryongbok] generation after generation, and are solidifying the new determination and will to firmly unite in one heart and one will around the great leader [yongdoja] Comrade Kim Chong-il, and to inherit and complete to the end the chuche revolutionary cause pioneered by the fatherly leader. The entire life of the great leader Comrade Kim Il-song is the most glorious and brilliant history of pioneering the chuche revolutionary cause and devoting his everything for its ultimate consummation.

The great leader [yongdoja] Comrade Kim Chong-il has taught: Since his early days of revolution, the great leader Comrade Kim Il-song shouldered by himself the destiny of the country and the nation, and devoted his entire life for the fatherland and the people, and for the revolutionary cause of the working class.

A great leader [suryong] has a great cause. The cause of the great leader Comrade Kim Il-song is the cause to completely achieve the independence of the working popular masses, that is, the chuche revolutionary cause. The cause is an unprecedented grand historic cause for its rich ideology, influence over the development of the destiny of the people and history of mankind, and the significance of the resulting changes. Because he devoted his entire life to the sacred cause, Comrade Kim Il-song lives forever in the people's hearts as a great revolutionist, a great man, and a great father.

The great leader Comrade Kim Il-song, who took the road of revolution in the darkest days when the nation's sufferings reached the highest point, till the last moment his heart stopped beating, devoted all his ponderings and energy to the chuche revolutionary cause. The road was a thorn bush beyond man's imagination and the most difficult and ardent road known throughout history. During the passage of overcoming at the forefront the severe storm of contemporary history, the great leader Comrade Kim Il-song suffered all kinds of pains as a revolutionist, and experienced all kinds of hardship and sorrow as a man.

During the anti-Japanese days, the great leader [suryong] tided over the difficult march at the forefront; during the war days, he walked on the battle fields; and after the war, he smashed [chitpusimyo] the vicious maneuvers of the enemies of revolution and adhered to the banner of revolution to the end.

Every trace of the more than 80 years tided over by the great leader Comrade Kim Il-song is embroidered with boundless devotion to the revolutionary cause, lofty sense of mission, ardent love and patriotism for the fatherland and the people, resolute revolutionary principles, and impregnable will. We do not know of any other man like the great leader Comrade Kim Il-song, who energetically worked for the lofty ideology initiated by himself for a long time since his teens till his 80's and passed away on the road of revolution, and who was a man of justice and enthusiasm. Anyone with a warm heart cannot review the history of the extraordinary great man, who devoted his entire life for the sacred cause for the people, without warm tears.

When the great leader Comrade Kim Il-song was alive, our people were always impressed by the leader's greatness; and since they lost the leader, they feel more keenly about the leader's greatness with each passing day. The great leader Comrade Kim Il-song is the sun of chuche who brightly elucidated the future of the revolutionary cause with his extraordinary wisdom and outstanding ideology.

The revolutionary cause of the working class is essentially the cause to achieve the leader's [suryong] revolutionary ideology. The invincibility and immortality of the leader's cause lies in the greatness of the ideology. The entire passage of the revolutionary activities of the great leader Comrade Kim Il-song is shining with the unique search and invention of the founding and ceaseless development of the immortal chuche idea with the farseeing wisdom and energetic activities of ideological theory.

The founding of the chuche idea was the birth of the greatest ideology of guidance that was able to brilliantly develop the destiny of the popular masses, and a brilliant milestone that opened a new era of history of victory and advanced under the banner of independence. The victorious advance and future of the chuche revolutionary cause and the magnificent trend of our era that are advancing along the track of independence began with the founding of the chuche idea. The great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea, was a revolutionary banner that illuminated the road of human liberation and a consummate communist revolutionary theory. Our people are rigorously fighting on with the firm faith that the road following the banner of the chuche idea is the road to complete the socialist and communist cause to the end.

Many people in the world are becoming more sympathetic to and following the chuche idea, saying that there is no ideology that can guide the times other than the chuche idea. The founder of the great chuche idea has left us, but the revolutionary ideology is vigorously leading the advance movement of the times and history with an invincible pull. The great leader Comrade Kim Il-song, who left immortal traces not to be deleted in human history forever and brightly elucidated the future of the times, will live forever as the sun of chuche.

The great leader Comrade Kim Il-song is the founder of the socialist Korea, who endowed genuine socialism with new life. Socialism is the most sacred cause for the socialist working popular masses. The history of the revolutionary struggle of the working class records numerous achievements of outstanding leaders [suryongdul] who were devoted to the socialist cause, but there is only one leader who transformed the ideology into reality and provided the popular masses with a genuine socialist new life—the great Comrade Kim Il-song.

In the past, our people were the most tragic sufferers in modern history. Our nation was destined to be trampled upon by imperialists and was forced upon the tragic life of stateless people. This was our nation's destiny. However, now, our people have become the powerful and dignified people whom no one can dare touch and the most revolutionary and proud people who pioneer the future road for the times, upholding in high esteem the banner of socialism. This historic change is a valuable fruition of the wise leadership of the great leader Comrade Kim Il-song who had a grand plan to set up a socialist paradise on the land of the fatherland from his early days and brilliantly realized the plan.

It is none other than the great leader Comrade Kim Il-song, a peerless patriot and a benefactor of national liberation, who led 20 years of anti-Japanese struggle to victory and endowed our people with the new spring of fatherland liberation. It was also the great leader Comrade Kim Il-song, a genius of creation and construction and a prominent politician, who pioneered the untrodden path, led the socialist revolution twice and the multilevel socialist construction cause, and set up the popular masses-centered socialism on this land. It was the great leader Comrade Kim Il-song, a protector of the people's destiny and an ever-victorious iron-willed commander, who smashed imperialist allied forces' armed aggression and staunchly defended the fatherland's dignity and the nation's sovereignty. The most superior popular masses-centered socialism of our own style that sheds its light throughout the world and the independent and creative life enjoyed by our people were prepared by the great leader Comrade Kim Il-song.

Wherever we go in our country, the traces of the great leader Comrade Kim Il-song, who covered tens of thousands of yi [land measurement] for on-the-spot guidance with the lofty idea of "believing in the people as in heaven," are left behind. At every corner of our people's happy life, the leader's careful concern and warm care can be found.

During his lifetime, Comrade Kim Il-song, the father of the people, carried out all the historic causes he could possibly do for the fatherland, revolution, and socialism and endowed our people with all the happiness and glory he could possibly give to them. Truly, our country is a proud and dignified country where the great leader Comrade Kim Il-song's people, who was revived and glorified by the great leader Comrade Kim Il-song, live. Our country is the socialist Korea, the fruition of the leader's idea, leadership, and virtues.

Even if thousands of years pass us by and the world changes a hundred times, our people will cherish deep in our hearts the holy trace of leadership of the great leader Comrade Kim Il-song who traversed the revolution's tens of thousands of yi to set up our country, our fatherland, and will highly praise and hand down the leader's [suryong] love and benevolence through generations.

The great leader Comrade Kim Il-song was a prominent leader who, with farsightedness, prepared an eternal treasure for the ultimate victory of the chuche revolutionary cause. The leader's cause is a long-term struggle that continues for generations. The leader's greatness lies in firmly preparing the foundation on which the revolutionary cause can be completed to the end.

The great leader Comrade Kim Il-song always foresaw the future and devoted all his energies to consolidate a firm foundation on which the chuche revolutionary cause could be ceaselessly completed. The great leader Comrade Kim Il-song's outstanding farsightedness deeply penetrated into the historic inevitability of continuing the revolutionary cause and brilliantly solved the question of successor, which is the fundamental question in continuing the revolution's blood lineage.

Today, our people are demonstrating their pride in being the people who are blessed with the leader [suryong] and are consummating the chuche revolutionary cause, upholding in high esteem the great leader [yongdoja] who has extraordinary wisdom, tested leadership, and noble virtues.

During the bitterest period in which the great leader Comrade Kim Il-song passed away, our people overcame greatest sorrows and staunchly rose up because we uphold the great leader [yongdoja]. During these days, our people once again felt keenly the farsightedness of the great leader Comrade Kim Il-song who brilliantly solved the question of continuing the leadership for the accomplishment of the revolutionary cause.

The great leader Comrade Kim Il-song provided all the bases for our party and people to fulfill the chuche revolutionary cause under the leadership of the respected and beloved Comrade Kim Chong-il. The great leader Comrade Kim Il-song built up the lasting foundation of the revolution by founding the revolutionary tradition and continuously developing and enriching it, and has strengthened and developed the Workers Party of Korea [WPK] into an invincible revolutionary party which leads the chuche cause to victory.

Today, our party is displaying its proud feature as the leader's party which is boundlessly loyal to the leader's cause and carries on the revolutionary tradition purely. Because we have the revolutionary tradition and the great party which has grown from its root, we have nothing to fear.

Because we have the wise leadership of the great leader Comrade Kim Il-song, our people have been able to build a strong self-reliant national economy capable of managing any conditions on their own, and to have the one-a-match-for-a hundred revolutionary Armed Forces capable of defeating any powerful imperialist enemy and protecting and defending the chuche cause.

When the great leader Comrade Kim Il-song undertook the road of the revolution, we had no party, government, or Army. We have no words to fully praise the revolutionary achievements made by the great leader who pioneered our revolution from scratch and provided a lasting foundation to complete the cause of the revolution.

The achievements of the great leader Comrade Kim Il-song providing our party and people with noble and precious revolutionary heritage having lasting vitality will shine forever with the victorious advance of the chuche revolutionary cause.

The chuche revolutionary cause to which the great leader Comrade Kim Il-song devoted his life is resolutely defended, adhered to, and brilliantly inherited and completed by our party and people, boundlessly loyal to the leader. The leader's cause is firmly inherited when the people have a loyal successor and a revolutionary people. Today, our party and people are waging a vigorous struggle along the single road of the revolution initiated in the Paektu forest, upholding Comrade Kim Chong-il, the great successor to the chuche cause.

Our people are the great people who live and struggle with the great leader Comrade Kim Il-song as their eternal spiritual pillar. Over a long period of time, our people have regarded the great leader Comrade Kim Il-song as their pillar of faith and spirit, and waged a vigorous struggle, entrusting all their destiny to the leader.

The name and image of the fatherly leader were the banner of victory which enabled our people to daringly overcome the sea of blood in the anti-Japanese struggle, the sea of fire in war, and the miserable ruins in the aftermath of war.

Because our people had firm confidence and faith in the sure victory that we will be ever-victorious as long as they had the great leader Comrade Kim Il-song, our people remained unperturbed and never stepped back when the modern revisionists emerged and when the imperialists viciously perpetrated antisocialist maneuvers.

Although the great leader Comrade Kim Il-song departed from us, the spiritual pillar which firmly settled in our people's hearts is indefatigable. Today, cherishing the firm faith that the great leader Comrade Kim Il-song is with us forever, our people are struggling, thinking first of the leader in joy or in adversity.

It is the noble trait of our people to respectfully look at the endlessly benevolent and holy portrait of the fatherly leader and receive from it the fighting spirit of converting misfortune into fortune and the courage to move mountains, in struggling to pioneer the course of the revolution.

The noble spirit of regarding the great leader Comrade Kim Il-song as the eternal spiritual pillar is the life-giving water for our people and the noble spirit of the nation which are inherited generation to generation as long as the Kim Il-song nation exists. With this spirit cherished firmly in their hearts, our posterity will grow up to be true sons and daughters of the fatherly leader for generations to come.

Our people are the revolutionary people who are endlessly loyal to the ideology and behest of the great leader Comrade Kim Il-song. The attitude toward the leader's behest is the fundamental problem in inheriting the leader's cause. The lesson in history shows that if the people forget the leader's behest and avoid the leader's ideology, the party and the government will become discolored and the thread of the revolution's life will be cut off.

History's experiences show that if the people forget the lifetime's teachings of the leader [suryong] and fail to follow his ideology, the party and the regime will degenerate and even the lifeline of the revolution will be broken off. It is our people's firm and invariable determination to adhere to and glorify the leader's [suryong] ideology and his lifetime teachings with a higher revolutionary spirit, a more burning loyalty, than they had when the leader was alive.

Our people are not the people who secede from the leader's ideology as time passes and circumstances change and who go back on the leader's teachings as stormy winds blow.

Today, our party members and the working people are living and struggling, taking the great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea, as their eternal motto and faith in life. Our people's faith and will to absolutely believe in and follow only the chuche idea on their road of upholding profoundly in their hearts and following the slogan, "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideology, the chuche idea," have become stronger.

The lives of our people—who, taking the purpose and ideal of their lives and struggles from the chuche idea, are pioneering their destinies, using the idea as a weapon, and who are thus achieving independence—are rewarding lives and rewarding struggles, of being with the leader [suryong].

Today, our people are vigorously accelerating socialist construction, taking the great leader Comrade Kim Il-song's revolutionary ideology and his lifetime teachings as the only guideline and the supreme task in the revolution and construction. The entire party, all of the people, and the entire Army are filled to overflowing with the firm and invariable will that without realizing the fatherly leader's [suryong] will it is impossible to live and to carry out the revolution and that no eternal happiness for descendants can be expected.

As long as we have great people who rise up as one to bring the leader's ideology and his lifetime teachings into full bloom, the lineage of our revolution will be firmly maintained under all kinds of difficult circumstances.

Our people are the faithful people who are upholding with a pure mind the great leader [yongdoja] Comrade Kim Chong-il who is leading the chuche revolutionary cause at the forefront.

The inheritance of the revolution is synonymous with the inheritance of leadership and with the inheritance of loyalty. The greatness of the revolutionary people lies precisely in resolutely safeguarding and defending the successor to the leader [suryong] and in being loyal to him to the end.

Respected and beloved Comrade Kim Chong-il is a most prominent ideologist and theorist and a great statesman who is leading our revolution to the single road of victory. He is also an outstanding strategist and an iron-willed commander. Our people are deeply mastering the supreme commander Comrade Kim Chong-il's extraordinary wisdom, the wisdom of his leadership, and the greatness of his feature amid the fierce confrontation, without bullets and shells, with the enemies and amid the grand march for grandeur and prosperity of our country and fatherland. The wisdom of the respected and beloved leader Comrade Kim Chong-il is precisely the wisdom of the great leader's [suryong] deep insight of looking into the far future. His leadership is precisely the leadership of the leader [suryongnim] who broke through numerous difficulties in the revolution with his iron-like firm will, and his feature is precisely the people-oriented feature of the leader [suryongnim] who unfolded the politics of benevolence through the ideal of serving the people as heaven.

Our people are looking up to respected and beloved Comrade Kim Chong-il as the great guiding star and are upholding the party's leadership with loyalty as they were upholding the great leader Comrade Kim Il-song as the eternal sun while fighting their way through bogs and burning rivers.

Today our people are the great people who live and work according to respected and beloved Comrade Kim Chong-il's ideology and will, who advance with Comrade Kim Chong-il's mettle, and who are victorious with Comrade Kim Chong-il's strategy.

All of our functionaries have become genuine (?Kim Chaek-style) revolutionaries and uphold great Comrade Kim Chong-il's ideology and leadership at the forefront. Our party members and the working people, as well, are creating exploits on the sites of awesome battles to realize the leader's [yongdoja] plan and will.

Comrade Kim Chong-il and our people are an eternally united body sharing the same ideals, faith, feelings, and destiny. Unity between the leader [yongdoja] and the people! Herein lies the decisive guarantee that can overcome all sorts of trials and challenges in history and, thus, can consummate the chuche revolutionary cause to the end.

Today our party and people have the most sacred task to inherit and complete the chuche revolutionary cause which the great leader Comrade Kim Il-song led by devoting his lifelong painstaking efforts to it. The great leader Comrade Kim Il-song taught: I firmly believe that you will faithfully uphold the leadership of Comrade Kim Chong-il and wage a vigorous struggle for the completion of the cause of socialism, the chuche revolutionary cause.

The struggle today to inherit and complete the great leader Comrade Kim Il-song's cause of the revolution is the sacred struggle to revere and uphold the leader forever and firmly solidify the noble revolutionary heritage provided by the leader as the lasting wealth and treasure for the party and the revolution. At the same time, it is a noble work to fulfill the revolutionary fidelity as the great leader's fighters and disciples. It is also the glorious struggle to achieve the eternal growth and prosperity of the Kim Il-song nation boasting of a 5,000-year long history.

We must, above all, adhere to and add luster to the revolutionary banner of chuche, the banner of socialism, which the great leader Comrade Kim Il-song upheld throughout the entire period of his revolutionary activities.

The life of the great leader Comrade Kim Il-song which was embroidered with his arduous trials and brilliant victories was the life of a great genius who pioneered the shortcut of the cause of socialism which had not been trodden by anyone previously, and the life of a great revolutionary who adhered to the banner of socialism in the struggle against the vicious enemies of various types. Tracing this history, we solidify our resolve more firmly that we can never take down the red banner of socialism, nor can we surrender our position of socialism to anyone.

Socialism is our life-line and our life which the great leader provided for us. We should firmly keep up the chuche socialist ideology and lines which were put forth by the great leader Comrade Kim Il-song for generations to come and vigorously advance only along that road.

It is a noble duty of us the Korean communists and the people to nurture all the fatherly leader's lines and policies, including the general line of socialist construction, into a luxuriant forest and to make them bear rich fruit.

The extraordinarily diverse and rich revolutionary achievements which the great leader Comrade Kim Il-song made in all fields of the revolution and construction, including the party-, government-, and Armed Forces-building, are the lasting foundation for the completion of the chuche socialist cause.

Each of us is entrusted with the sacred mission of treasuring these noble achievements as they would the pupils of their eyes and inheriting and developing them 100 percent as they are. We should strengthen and develop our party, state, and Army forever into the party of the great Comrade Kim Il-song, the founder of them, the state of Comrade Kim Il-song, and the Army of Comrade Kim Il-song, and comprehensively and highly display the superiority of our-style socialism built by the leader.

Important in resolutely adhering to and inheriting the cause of the revolution of the great leader Comrade Kim Il-song is for all the party members and working people to become the leader's true fighters and disciples with unchanging noble morality and fidelity.

The Korean communists and people are the leader's fighters and disciples brought up under the care of the great leader Comrade Kim Il-song generation to generation who came to have noble political lives. All the party members and working people should never forget the pledge of loyalty they made before the bier of the great leader Comrade Kim Il-song, and implement the pledge at every moment of their lives.

We should uphold the leader even better than we did when he was alive from the guilty conscience that we failed to repay 1,000 and 10,000-fold, the great leader's great favor to us, and devote the unfulfilled loyalty to today's struggle to complete the chuche cause. By so doing we should more vigorously display to the entire world the excellent trait of the Korean communists who have a noble communist outlook on morality.

Solidifying and developing our wholehearted unity, which the great leader Comrade Kim Il-song provided, generation after generation, is the most important work to achieve the ultimate victory of the chuche revolutionary cause. The road we must follow is still far and involves difficulties and trials. However, as long as we have the wholehearted unity based on one ideology and one center [chungsim], we will always be victorious.

Living with the ideology of single-hearted unity, advancing with the mettle of single-hearted unity, and achieving a greater victory with the might of single-hearted unity are precisely our party's revolutionary philosophy and the slogan of our eternal faith.

All party members and the working people should cherish deeply in their hearts the ardent lifetime teaching of the great leader Comrade Kim Il-song who said that they should consummate the chuche revolutionary cause to the end by uniting around Comrade Kim Chong-il and should vigorously struggle for it.

Like the anti-Japanese heroes who defended the great leader Comrade Kim Il-song with their lives in fierce battles, we should become bullets and bombs to defend the respected and beloved Comrade Kim Chong-il and should firmly unite in one mind and one will around the party Central Committee which upholds Comrade Kim Chong-il at its head.

We should further exalt the laudable custom of unity between the Army and the people and the fine communist virtues which have fully flourished on the road of upholding the great leader [yongdoja]. Thus, we should firmly build our revolutionary ranks into a single-hearted body of loyalty and filial piety.

Today the great leader [yongdoja] Comrade Kim Chong-il has unfolded a grand plan to further enrich our country, our fatherland which is shining with the revered name of the fatherly leader [suryong] and is wisely leading the struggle for its implementation.

We should unconditionally and thoroughly implement the great leader [yongdoja] Comrade Kim Chong-il's intent in all sectors and fields of the revolution and construction and should more firmly establish the revolutionary ethos of moving as one under Comrade Kim Chong-il's leadership.

All party members and the working people should effect new revolutionary upsurges in production and construction by firmly grasping the party's revolutionary economic strategy and by highly displaying the revolutionary spirit of self-reliance and fortitude.

Our People's Army is the party's Army, the revolution's Army, and the people's Army led by the respected and beloved supreme commander Comrade Kim Chong-il, the ever-victorious iron-willed commander.

Officers and men of the People's Army should cherish deep in their hearts, the endless loyalty to the comrade supreme commander and thoroughly implement the party's military line. Thus, they should strengthen by all means the political and military might of the People's Army and firmly safeguard and defend our party's cause with rifles.

All party members and people and all officers and men of the People's Army should rise up in the general march to glorify the history of our party with proud exploits on the threshold of the 50th anniversary of the party's founding. Thus, they should make this year a year of hope and a year of fortune.

National reunification is the supreme national cause to which the great leader Comrade Kim Il-song devoted his all from the first day of national division to the last moment of his life. We should unanimously rise up in the nationwide struggle for the independent and peaceful reunification of the country this year to effect a new turn.

The future of the chuche revolutionary cause is boundlessly promising, and our people's fighting mettle is very high. While traversing generation after generation, our people have grown up, singing "Song of General Kim Il-song," an immortal hymn. Our people are the people who have victoriously advanced, singing this song.

We will vigorously fight, eternally singing this revolutionary song that solemnly resounded in the unforgetable day of parting forever from the great leader Comrade Kim Il-song. We will traverse to the end the road of the revolution pioneered in the forests of Paektu, looking up to the sun-like brilliant image of the leader [suryong].

The victory of the Korean revolution is certain as long as Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, advances, firmly holding the helm of the revolution; as long as we have the strong and firm foundation provided by the great leader [suryong]; and as long as there are the invincible party and Army and the faithful people, including the masses of youth.

Holding aloft the slogan, "Long live the great leader Comrade Kim Il-song's revolutionary ideology," and under the party's great leadership, our people will achieve, without fail, the final victory of the chuche revolutionary cause to which the leader devoted his whole life.

Trade Union Holds Seminar on Kim Il-song Ideas

SK1304142495 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 11 Apr 95

[FBIS Translated Text] General Federation of Trade Unions of Korea [GFTUK] functionaries and members held a seminar on revolutionary achievements made in the building of the GFTUK by the great leader Comrade Kim Il-song at Kumsong Political College on 11 April.

Comrade Kim Chung-nin, secretary of the Workers Party of Korea Central Committee, officials concerned, and functionaries and members of the GFTUK, attended the seminar.

The participants paid a silent tribute to the memory of the great leader Comrade Kim Il-song, who dedicated his whole life to prosperity and development of the fatherland, to freedom and happiness of the people, and to the work of strengthening and developing the GFTUK.

At the seminar, Chu Song-il, chairman of the GFTUK Central Committee; Han Ki-song, vice president of publishing house of workers' organizations; Yi Yong-to, senior lecturer at Kumsong Political College; and Chon Nam-chun, chairman of trade union of the Ministry of Railways, made reports under the subjects: "The respected Comrade Kim Il-song is the great leader [suryong] who made immortal achievements in carrying to accomplishment the chuche revolutionary cause," "The respected leader Comrade Kim Il-song is the great politician who organized trade unions and strengthened and developed them to chuche-oriented mass political organizations unswervingly loyal to the party," "The great leader Comrade Kim Il- song is the outstanding leader who led trade unions to play the role of reliable supporters of the party by vigorously carrying out the mass movement," and "Let us render all loyalty and filial piety to the great leader [yongdoja] Comrade Kim Chong-il by deeply cherishing in our hearts the love and benevolence extended by the great leader Comrade Kim Il-song to functionaries and members of the trade unions."

The speakers pointed out that the great leader Comrade Kim Il- song newly pioneered and glorified modern history with profound revolutionary theories and great revolutionary practice by cherishing uncommon ideological and theoretical wisdom, outstanding leadership, and noble communist morality. With the sense of boundless devotion to the revolutionary cause and warm love of the people, he brilliantly embroidered the entire course of the revolutionary struggle with victory and honor, thus making immortal achievements before time and mankind.

The speakers said that the whole life of the fatherly leader is shinning with historic merits attained in building trade unions.

The speakers noted that the ideas and guidance of the fatherly leader on building trade unions have been brilliantly inherited and developed by the dear leader Comrade Kim Chong-il.

The speakers stressed that all functionaries and members of trade unions will more firmly consolidate all trade unions to be loyal ranks that uphold the leadership of the great leader Comrade Kim Chong-il with the sense of loyalty and filial piety according to the fatherly leader's lifetime teachings, and will vigorously fight to accomplish the chuche socialist cause to the end.

Kim Il-song's Idea of Believing in People Viewed

SK1704103795 Pyongyang KCNA in English 1007 GMT 17 Apr 95

["NODONG SINMUN on Brilliant Embodiment of President Kim Il-song's Idea of 'Believing in the People as in Heaven'"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, April 17 (KCNA)—The benevolent policies Korea is pursuing with credit under the wise guidance of the great leader Comrade Kim Chong-il are the brilliant embodiment of the great leader Comrade Kim Il-song's idea of "believing in the people as in heaven".

NODONG SINMUN today says this in a signed article titled "Benevolent Politics of Our Party, Brilliant Embodiment of the Great Leader's Idea of 'Believing in the People as in Heaven.'"

The article says "believing in the people as in heaven" is the motto and philosophy of President Kim Il-song, who devoted his all for the sake of the people throughout his whole life.

It quotes the great leader Comrade Kim Chong-il as saying:

"Under the motto, 'the people are my god', which he adopted when he was young, Comrade Kim Il-song mixed with people, shared weal and woe with them and devoted his all for them, throughout his life. Because it held the respected Comrade Kim Il-song, who was endowed with the noble virtue of boundless love for the people, as its leader, our country could record a brilliant history of genuine politics for the people, benevolent politics."

Comrade Kim Il-song's idea of "believing in the people as in heaven" is a basic factor that makes it possible to take the most popular political mode to suit the nature of socialist society and build all the political organisations in the society into organisations faithful to the people in Korea, the article says, and continues:

The idea is reflected in the Chongsanri spirit and Chongsanri method and the Taean work system put forward by Comrade Kim Il-song. With the establishment of the most popular political mode the Korean people have become the masters of the state and society.

With the embodiment of the noble idea in the party and state activities the party discharges its mission and duty as the mother party and the government as the people's power responsible for the people's livelihood. Today in Korea all the people with precious socio-political integrity add lustre to their human dignity and honor and enjoy an independent, creative life to their heart's content. All this is attributable to the fact that the idea of "believing in the people as in heaven" has fully been embodied and thus all the political organisations were built into organisations true to the people.

Our party's benevolent politics, the embodiment of Comrade Kim Il-song's noble idea of "believing in the people as in heaven", are successfully continued under the wise guidance of the great leader Comrade Kim Chong-il. The policies are pursued in all domains at a new, higher level.

The unity of the leader and his soldiers and of the party and people based on love and confidence and the conversion of the whole society into a socio-political organism, which can be witnessed in Korea today, are entirely attributable to the benevolent politics of respected Comrade Kim Chong-il, who is the same with Comrade Kim Il- song in idea, leadership and virtues, stresses the article.

Power Station Complex Overfulfills Goal

SK1704075295 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 16 Apr 95

[FBIS Translated Text] Electricity producers at the 17 March Hydraulic Power Station Complex have been greatly increasing electricity production.

The electricity producers at this complex—who overfulfilled the first quarter plan and the March plan in order to glorify this year, the 50th anniversary of the party's founding, with greater labor feats—have been fulfilling daily plans in April.

In particular, combatants at the first-generation electricity shop are effectively managing the remote-controlled facilities and are applying reasonable work methods, thus overfulfilling their high daily goals by 4 to 5 percent. Electricity producers at the second and third-generation electricity shops, and those at the Kuryong Power Station, are daily bringing about greater achievements by vigorously waging the struggle to glorify their country and their fatherland by increasing electricity production.

Wiwon Power Station Overfulfills Daily Plans

SK1704090495 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 16 Apr 95

[FBIS Translated Text] Electricity producers at the Wiwon Power Station have been increasing production.

Electricity producers at this station, who have been operating generators at full capacity to distribute more electricity to various sectors of the people's economy, are overfulfilling daily plans by over 50 percent. Generator operators are playing a leading role in increasing production.

Hwanghae Steel Complex Increases Production

SK1704090995 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 16 Apr 95

[FBIS Translated Text] The Hwanghae Steel Complex has been vigorously waging the struggle to increase the production of steel products. To increase the production of steel products, sintering furnace shop workers ensured full-capacity operation of their furnace, thus overfulfilling daily plans in the production of good- quality sinters.

Combatants at the construction and general overhaul enterprise participated in the general overhaul of the no. 2 furnace. They are daily bringing about great achievements in overhauling facilities by waging speed battles.

Sheet metal processing shop workers applied reasonable work methods to assemble horizontal cooling pipes, and are daily overfulfilling their assigned assembling work.

Maintenance shop workers are overfulfilling daily plans to generally overhaul facilities with a high fervent revolutionary intent to increase the production of steel products.

South Korea

Government Opposes U.S.-DPRK Political Talks

SK1604021595 Seoul CHOSON ILBO in Korean 16 Apr 95 p 1

[Report by Ku Song-chae]

[FBIS Translated Text] It was learned on 15 April that after the lightwater reactor experts talks with North Korea were suspended in Berlin on 13 April, the United States sounded out the ROK on the possibility of U.S.-DPRK political negotiations. However, our government opposed them. As a result, a possible new ROK-U.S. discord over the holding of U.S.-DPRK political talks has emerged.

A government official said, "On 13 April, the U.S. side inquired about the ROK position on the plan to hold U.S.-DPRK political negotiations for a solution to the North Korean nuclear problem, including the provision of lightwater reactors to North Korea, before 21 April, the deadline for an agreement on the provision of lightwater reactors."

This official added that the political negotiations proposed by the United States would mean high-level talks between Gallucci, the U.S. nuclear ambassador [title as published]; and Kang Sok-chu, North Korea's first vice foreign minister, in Geneva, Switzerland, or in New York, and the negotiations would be held on 19 or 20 April, immediately after the U.S.-DPRK light-water reactor experts talks are resumed in Berlin on 18 April.

Our government discussed this issue during the unification-security policy coordination meeting, held on 14 April under the chairmanship of Na Ung-pae, deputy prime minister and reunification minister, and finalized the position of opposing U.S.-DPRK political negotiations. The official pointed out that this ROK Government position was prompted by the public opinion trend within the ROK at a time when the ROK is again excluded from the U.S.-DPRK political negotiations, and by concerns about the possibility of a package solution to the nuclear problem through political negotiations between the United States and North Korea.

Seoul Reportedly Refuses New U.S. Proposal

SK1704020395 Seoul HANGUK ILBO in Korean 17 Apr 95 p 1

[By reporter Ko Tae-song]

[FBIS Translated Text] It was learned on 16 April that our government has turned down the new U.S. compromise proposal that the ROK concede its policy to make an ROK enterprise sign a contract for providing light-water reactors to North Korea as the major contractor.

The Unites States presented the following as a compromise proposal: That the ROK, the United States, and Japan be the major co-contractors; or a U.S. enterprise play the role of a formal major contractor under the title of program coordinator or program manager.

A government source stated: "With the resumption of U.S.-North Korea expert-level talks on the provision of light-water reactors slated for 18 April, the United States put forward to our government a compromise proposal that reflects North Korean demands. However, the government refused it because the new proposal may seriously distort [waegok] our government's principle on securing the ROK's key role in providing light-water reactors to North Korea."

Despite this policy, however, the government will reportedly decide on its final position after watching the result of the 18 April talks between U.S. and North Korean experts on the reactor issue, leaving the possibility of reaching a compromise at the last moment.

'No Essential Change' in DPRK Reactor Proposal

SK1504054995 Seoul CHOSON ILBO in Korean 15 Apr 95 p 1

[Report by Kim Sung-yong]

[FBIS Translated Text] It has been learned that North Korea revealed for the first time its position of allowing ROK business firms to participate in the designing of light-water reactors during the Berlin light-water reactor experts talks that ended on 13 April. On 14 April, a relevant government official said that: "While North Korea has not allowed the involvement of our companies in subcontracts for manufacturing and construction in the past, North Korea has for the first time revealed its position of allowing the ROK's participation in the design. North Korea has only allowed limited participation, and quite some distance remains before the acceptance of the ROK-type light-water reactors. Therefore, we cannot wholly accept North Korea's proposal."

During the unification-security policy coordination meeting held on 14 April, the government reviewed the

North Korean proposal and assessed that "there is no essential change in the North Korean attitude." Kim Kyong-ung, a spokesman of the Board of National Unification said that "the government decided to continue to maintain its position of designating the ROK-type model and the ROK's central role in the project to provide light-water reactors to North Korea." The government plans to intensively discuss the contents of North Korea's proposal with the United States and Japan through diplomatic channels over the weekend in order to map out measures to cope with experts talks that are to resume on 18 April.

Defense Official on U.S. Delegation to MCC

SK1604104495 Seoul KYONGHYANG SINMUN in Korean 16 Apr 95 p 2

[Report by Yi Chung-kun]

[FBIS Translated Text] It was learned that the United States notified the ROK that it will send an unprecedented large delegation to the "ROK-U.S. Combat Capabilities Evaluation Conference [MCC]," which will be held beginning 24 April, to exchange and examine intelligence on North Korea's military. This is attracting attention because it is related to the tense situation on the Korean peninsula surrounding the supply of light-water reactors to North Korea.

A high-ranking Defense Ministry official stated on 15 April: "The MCC will be held from 24 to 28 April in Seoul under the supervision of the intelligence headquarters of the Defense Ministry. The United States informed us that it will send 120 intelligence officials headed by a major general-level official."

This official also stated: "Normally the number of participants of this meeting is 30, but since the upcoming delegation is made up of four times that number, we are very surprised. It seems that the dispatch of such a large delegation is intended to judge, examine, and compare U.S. and ROK intelligence on North Korea due to the recent heightened tense situation on the Korean peninsula." Another official said: "It is known that the United States is sending a large working-level delegation of intelligence officials of the intelligence bureau of the Defense Department. They will also visit the ROK-U.S. Combined Forces Command and discuss intelligence issues."

U.S. Group To Resume Operating Refinery in North

SK1504025295 Seoul YONHAP in English 0234 GMT 15 Apr 95

[FBIS Transcribed Text] Washington, April 14 (YONHAP)—A U.S. business group plans to begin operations at a North Korean refinery next month that is located at the Najin-Sonbong free economic and trade zone in the socialist country, business sources here said Friday.

A source close to the Stanton Group, the group in charge of general development projects for the trade zone, said that the engineers of the American business group visited North Korea last month to inspect the refinery's situation whose operation has been suspended.

The American engineers, the source said, concluded that there would not be great difficulty in resuming the refinery's operation, and they are planning to import the first shipment of crude oil from Europe next month for export after the oil is refined there.

He said the business group has already obtained the U.S. Government's approval for resuming refinery operations and there is no legal problems involved in resuming operations there.

Officials at the South Korean Embassy to the United States said they knew about the U.S. business' plans to operate the refinery, adding, however, the U.S. Government seemed not to have given the approval yet.

The operation of the refinery is closely related to the future Washington-Pyongyang negotiations on the light-water nuclear reactor project, they said. It still remains uncertain whether the North Korean refinery will be operating in May in view of the conflicting statements between the Stanton Group and South Korean Embassy officials.

Chocolate Trade Dispute With U.S. Analyzed

SK1604015495 Seoul TONG-A ILBO in Korean 15 Apr 95 p 13

[By correspondent Yi Chae-ho from Washington]

[FBIS Translated Text] The dispute over chocolate labels illustrates well the nature of the recent trade dispute between the ROK and the United States. As of 14 April, there were five containers of U.S. made chocolates held in a bonded warehouse in Pusan. They are worth about $250,000 (200 million won), a negligible amount compared to the total trade volume between the two countries. However, this reflects the typical conflict and differences existing between the ROK and the United States.

The ROK food clearance regulations require that all imported food be labeled. In the case of chocolates, those products with over 20 percent of cocoa should be labeled in Korean as "a kind of chocolate," and those with less than 20 percent of cocoa be labeled as "chocolate." [sentence as published]

U.S. chocolate manufacturers did not abide by this rule. The ROK Government had to deny customs clearance for unlabeled chocolates. When chocolates in the warehouse started to melt, the anxious U.S. manufacturers conceded that they would label the next shipment from 1 August if the lots in the warehouse were allowed to clear customs. However, the ROK Government had not changed its stance as of 14 April. The Ministry of Health and Welfare maintains that "there could be no concessions as far as the citizens' health is concerned." The ministry rebukes that "the U.S. Food and Drug Administration has stricter label regulations."

The squabble over chocolate labels shows that the ROK-U.S. trade dispute is moving from market opening pressure toward the demand for the elimination of non-tariff barriers, such as customs clearance, quarantine, and investment.

The United States is requesting the abolishment of the expiration date for meat; abolishment of the differential taxation for cars according to the displacement; reduction of medical equipment inspection, and the exemption from inspections for already imported medical products; revision of intellectual property rights laws; signing of an ROK-U.S. investment agreement; and the approval for the import of U.S. cornmeal.

As shown in the chocolate example, neither side is to be blamed in the recent ROK-U.S. trade dispute. The United States basically believes everything works out if pushed hard enough. The meat expiration date is a good example. The ROK has decided to have the expiration date self-regulated by the private sector beginning in 1998, but the United States is demanding the date be moved to 1996.

The ROK's unskilled handling of the issues is another cause of problems. The ROK should have notified the World Trade Organization of the revised label regulations in detail, but it only made a summary notification. Above all, the ROK Government has a different concept from the United States concerning trade issues. U.S. Trade Representative Mickey Kantor criticized the ROK's non-tariff barriers at the 5 April U.S. Congress session, saying "It is like what Japan was 15 years ago." However, the optimistic ROK Government is saying "there is no significant problem in ROK-U.S. trade issues."

Poland Decides To Give Up NNSC Activities

SK1704023195 Seoul SEOUL SINMUN in Korean 17 Apr 95 pp 1, 3

[By Yi To-un]

[FBIS Translated Text] It was learned on 16 April that the Polish Government notified the ROK Government that it is difficult for Poland to continue the activities as a member of the Neutral Nations Supervisory Commission [NNSC].

It was also confirmed that right after the five Polish NNSC delegates were physically expelled from Panmunjom by North Korea on 28 February, Gary Luck, commander of the U.S.-ROK Combined Forces Command, submitted a special report to the UN Security Council, but that it was not adopted for the official agenda.

Ever since the Armistice Agreement was signed between the UN, the North Korean, and the PRC Forces in July 1953, the NNSC and the Military Armistice Commission have been important pillars of the armistice regime of the Korean peninsula. Now the NNSC appears practically defunct and North Korea is expected to more strongly demand the signing of a peace agreement.

A relevant ROK Government official said: "The Polish Government considered continuing NNSC activities in Beijing or the South side's area of Panmunjom after their delegation was expelled by North Korea, but finally decided that the options were not feasible considering the geographical conditions and the role of the NNSC."

The five active soldiers of the Polish NNSC delegation, including Major General Ocharik [name as transliterated], returned to Warsaw, Poland in early March via Pyongyang and Beijing after they were expelled from Panmunjom. It appears that they will soon be assigned to other posts.

The ROK Government official explained: "With the suspension of Poland's NNSC activities following the suspension of the Czech Republic, all parties to the North Korean side of the NNSC have been completely dismissed. With no counterparts, the NNSC members for the South side, comprised of Swiss and Swedish delegations, have also suspended daily meetings, and have also suspended surveillance and inspection of violations of the Armistice Agreement."

The official added: "The ROK Government maintains that the armistice regime, including the NNSC, remains effective. Even though North Korea is demanding that the United States replace the Armistice Agreement with a peace agreement, the ROK Government will not accept the demand without holding direct negotiations between the parties concerned in the North and the South."

Government To Support Extension of NPT

SK1604031795 Seoul CHOSON ILBO in Korean 16 Apr 95 p 2

[Report by Kim Sung-yong]

[FBIS Translated Text] On 15 April, the Foreign Ministry announced that the ROK Government will support the indefinite extension of the Nuclear Nonproliferation Treaty [NPT] at a meeting for the extension of the NPT to be held at UN Headquarters beginning on 17 April.

A Foreign Ministry official said that "our nation's position is that the present NPT system should be continuously maintained and be even further strengthened in order to prevent the danger of nuclear proliferation, such as the North Korean nuclear problem."

However, the government intends to make clear its position that in order to enhance the people's trust in the NPT, the nuclear powers should make more efforts to realize the reduction of nuclear weapons, including the settlement of CTBT [Comprehensive Test Ban Treaty]; cooperation should be strengthened between advanced and backward countries for the peaceful use of atomic energy; and the international community should strengthen measures against the nations not observing the NPT.

A relevant government official stated: "At present, it is not certain whether the indefinite extension is feasible or not. However, there will be no problem in extending it at least 25 additional years."

The government plans to dispatch a delegation to the upcoming meeting which will run until 12 May. The delegation is headed by Pak Su-kil, the ROK ambassador to the United Nations, and composed by relevant officials from the Foreign Ministry, the Ministry of Science and Technology, and the Atomic Energy Research Institute.

Military Estimates DPRK Chemical Arms Stocks

SK1504074795 Seoul SEOUL SINMUN in Korean 15 Apr 95 p 1

[FBIS Translated Text] It was learned on 14 April that North Korea is estimated to have up to 5,000 tonnes of chemical weapons, most of which is sarin (GB) gas that was spread in Japan recently to the shock of its people.

The quantity of chemical weapons North Korea has is five times the 1,000 tonnes which it has so far been estimated as having, and this calls for a major augmentation of our existing defense plan for chemical, biological, and radiological warfare. In particular, one-third of the total ammunition North Korea has seems to be chemical projectiles capable of loading toxic gas such as sarin.

According to relevant authorities, the U.S. intelligence authorities recently informed the ROK-U.S. Combined Forces Command that according to their intelligence analysis, North Korea has stockpiled 1,000 to 5,000 tonnes of chemical weapons.

Thus far, the ROK and the United States estimated that North Korean possessed up to 1,000 tonnes of 13 kinds of chemical weapons with an annual production capacity of 4,500 tonnes in peace time and 12,000 tonnes in war time.

North Korea's chemical weapons were also known to consist primarily of highly deadly sarin gas-type toxic gas and that North Korea has only a limited stock of other types of chemical weapons, such as those that have suffocating and blood affecting properties.

A Defense Ministry official concerned said, "In the case of sarin gas, when 0.1 gram of the gas is injected into a one cubic meter space, a man will die within a minute, and the quantity of chemical weaponry North Korea has now is enough to kill and wound nearly all of the South Korean people through a surprise attack." He then added, "If we equip ourselves with protective devices, however, the potency of this chemical weapon drops significantly."

Meanwhile, the military authorities have been learned to have prepared measures for maintaining close cooperative relations with the police so as to effectively cope with terrorism or toxic gas accidents similar to that witnessed in the recent sarin gas attack in Japan.

Religious Leaders Return After Illegal DPRK Visit

SK1604040295 Seoul KBS-1 Radio Network in Korean 0310 GMT 16 Apr 95

[FBIS Translated Text] An Ho-sang, leader of Taejonggyo; and Kim Son-chok, chairman of the organization's council; who illegally visited North Korea on 11 April, entered the South after crossing Panmunjom at 1130 [0230 GMT] this morning.

An Ho-sang and his entourage, who arrived in the North side of Panmunjom at 1130, held a brief farewell ceremony with North Korean escorts and about 20 people who appeared to be relevant officials from the North Korean Chondoist organization. Following this, they were handed over to our side's officials via the Central Demarcation Line escorted by the North officials.

After arriving in our area at Panmunjom, An Ho-sang and Kim Son-chok went through a brief procedure and headed for Seoul via a helicopter provided by the government. Despite his old age of 93, An Ho-sang seemed to be relatively healthy. Reporters were not allowed to interview him.

Since An and Kim returned to the South from North Korea via Panmunjom, the prosecution intends to detain them for an investigation.

The No 2. Public Security Department in the Seoul District Prosecution Office will take An and Kim to the prosecution office as soon as they go through health checks at the hospital, which were permitted by the prosecution. The prosecution will then conduct a close background investigation of their secret visit to North Korea and their activities there.

A relevant prosecution official said that An and Kim are known to have only attended religious events, including the ascension ceremony of Tangun [legendary founder of the Korean nation], and visited the Tangun Tomb. However, their illegal visit to North Korea without the authorities' permission violates the law on North-South exchanges and cooperation, and thus legal measures against them are inevitable.

Government To Prosecute

SK1504001795 Seoul THE KOREA HERALD in English 15 Apr 95 pp 2, 4

[FBIS Transcribed Text] The government decided yesterday to prosecute the two South Korean religious leaders for traveling to North Korea without government permission.

The decision was made during a meeting of high-level government officials to coordinate policies on unification and security, which was presided over by Deputy Premier and National Unification Board (NUB) chief Na Ung-pae.

"Participants agreed to take punitive measures against the unauthorized visitors to prevent similar cases," NUB spokesman Kim Kyong-ung said after the meeting.

An Ho-sang and Kim Son-chuk, leaders of Taejongkyo, an indigenous religion worshipping Tangun (the nation's legendary founder), went to North Korea Tuesday via Beijing without government permission.

Under a law governing inter-Korean exchanges and cooperation, those who make unauthorized visits to the North are subject to be fined up to 10 million won or a maximum sentence of three years in jail. But spokesman Kim aid the Taejongkyo leaders will face stiffer punishment, if they are found to have violated the National Security Law, which bans any activities in favor of the North.

The Taejongkyo leaders are expected to return home through the border village of Panmunjom Sunday morning, Kim said. He said the participants expressed deep concern over the two religious leaders unauthorized trip to the North; as they went to at a time when inter-Korean relations are strained over the provision of light-water reactors. But they reaffirmed that the government will continue promoting inter-Korean exchanges of cultural and religious leaders to help improve inter-Korean relations.

With regard to the provision of nuclear reactors,the spokesman said the ministers agreed that North Korea has shown no sign of changing its hard-line stance.

Participants in the meeting were Na, Foreign Minister Kong No-myong, National Defense Minister Yi Yang-ho, Kwon Yong-hae, director of the Agency for National Security Planning, Han Sung-su, chief presidential secretary and Yu Chong-ha, senior presidential secretary for foreign and national security.

PRC National People's Congress Chairman Arrives

SK1704024695 Seoul YONHAP in English 0234 GMT 17 Apr 95

[FBIS Transcribed Text] Seoul, April 17 (YONHAP)—Qiao Shi, chairman of the standing committee of the Chinese National People's Congress, arrived in Seoul Monday for a six-day visit to South Korea at the invitation of National Assembly Speaker Hwang Nak-chu.

The chairman is returning a visit made by former National Assembly Speaker Yi Man-sop to China in January last year.

Qiao, 71, is the first top-level Chinese leader to visit this country since Premier Yi Peng's trip to South Korea last October.

While in Korea Qiao is scheduled to pay courtesy calls on President Kim Yong-sam, Speaker Hwang and Prime Minister Yi Hong-ku to exchange views on issues of common interests and to discuss increasing bilateral cooperation between the two countries.

He is also slated to meet with several leaders from Korean economic organizations and chairmen of such business groups as Hyundai and Daewoo to discuss ways to expand economic cooperation between South Korea and China.

Qiao Shi Meets Assembly Speaker

SK1704122595 Seoul YONHAP in English 1200 GMT 17 Apr 95

[FBIS Transcribed Text] Seoul, April 17 (YONHAP)—The top parliamentary leaders of South Korea and China met here Monday [17 April] afternoon to discuss ways to further promote friendship and exchanges between their countries.

Speaker Hwang Nak-chu, welcoming visiting Chinese National People's Congress [NPC] Chairman Qiao Shi at his assembly office, said his visit would usher in a new chapter of cooperative exchanges between South Korea and China.

"Close cooperation between our two countries will lead to peace in Northeast Asia and further in the world," Hwang said. "Let us stride in concert over any bilateral difficulties in the days ahead."

When Hwang praised Qiao for his outstanding leadership in China's revolution, the Chinese official said the only way to effectively resist Japan's aggression at that time was to join the Communist Party.

Hwang and Qiao exchanged gifts—a miniature Shilla crown from Hwang and a bronze horse from Qiao—before the pair had a dinner together at the Assembly VIP dining hall.

The occasion was also attended by Vice Speaker Yi Han-tong, ruling DLP [Democratic Liberal Party] floor leader Hyon Kyong-tae and DLP Reps. Mun Chong-su and Kim Han-kyu from Korea, and, from China, Ambassador Zhang Tingyan, Vice Foreign Minister Tang Jiaxuan and Cao Zhi, secretary general of the People's Congress Standing Committee.

Vietnam's Do Muoi Supports Denuclearization

SK1704060295 Seoul YONHAP in English 0515 GMT 17 Apr 95

[By Katherine Kim Yong-Mi]

[FBIS Transcribed Text] Cheju, April 17 (YONHAP)—Vietnam supports peaceful reunification and denuclearization of the Korean peninsula, general secretary of the Communist Party of the Socialist Republic of Vietnam, Do Muoi, declared Sunday evening.

In an exclusive interview with YONHAP news agency at the Cheju Shilla on the eve of his departure for Japan, the Vietnamese leader discussed a variety of bilateral and regional issues, explained his prospects for the development of Vietnam and hoped for the future reunification of the two Koreas.

The Vietnamese leader expressed his wishes for peaceful negotiations between North and South Korea on the basis of mutual respect for national sovereignty and international law.

"We wish that Korea will soon reunify by means of peaceful negotiations and we are glad to see recent positive developments," Do Muoi expressed. "We wish that early reunification can be achieved by peaceful means and not by war. War brings suffering."

He quickly added, "We also wish that the denuclearization of both parts of Korea can be achieved. This is not just in the interest of the Korean people, but for the region and world as well."

Do Muoi spoke about his country's ties with both South and North Korea, claiming that Vietnam's long-lasting friendship with North Korea would not affect diplomatic links with South Korea.

"We maintain good relations with North Korea, while we also maintain good relations with South Korea," he stated.

Elaborating on the deep-rooted ties between Hanoi and Pyongyang, Do Muoi said, "Had Kim Il-song not died, I would have visited North Korea at his invitation. But unfortunately, he passed away. I feel sorry that I could not visit North Korea while he was alive."

Commenting on reports that Vietnamese Foreign Minister Nguyen Manh Cam is to visit North Korea in the near future, Do Muoi replied, "We have had long-lasting relations with North Korea. Representatives of our Ministry of Defense visited North Korea quite recently and their acting minister of defense recently visited Vietnam.

"The foreign minister of North Korea also visited Vietnam and extended his invitation for our foreign minister to visit North Korea. We think that the exchange of invitations between the two leaders of our countries is quite normal and quite good," he affirmed.

But despite the fact that South Korea's and Vietnam's diplomatic ties are in their infancy, established on Dec. 22, 1992, Seoul-Hanoi relations have sprouted rapidly. The general secretary attributed this to geographical location, historical and cultural similarities and the economic complementarity between the two nations for mutual prosperity.

"The Republic of Korea has recorded a relatively high level of economic, scientific and technical development, capable of capital and technology generation, and of development and management expertise. Vietnam has an abundant labor force, diverse natural resources and a vast market. The combination will benefit both countries," he explained.

In regard to the approximately 300,000 South Korean troops deployed to fight with the Americans and the South Vietnamese Government against the Vietcong, the general secretary replied, that Vietnam carries the spirit of "putting the past behind us and looking forward to the future."

Vietnam's foreign policy, he explained, is that they should externally broaden their cooperations and relations in order to diversify and mulitilateralize.

"We only wish to befriend all countries of the world. Never, never to be hostile to anyone," he declared.

Pressed to comment on a report published last year by a Seoul National University professor of anthropology claiming that there might have been upwards of 960 Korean POWs during the Vietnamese conflict and that possibly some of them were released to North Korea, he said:

"After the war, Vietnam was very, very poor and we released all the POWs. All of the Americans keep saying that there are American POWs remaining in Vietnam, but for several years, they cannot find any.

"About the Koreans, the same attitude applied. If we captured any, we released them all. We detained them for a while in order to educate them and then we released them all in Vietnam. The news spread by the professor is quite an allegation," he responded, adding, "After the war, we were very hungry, we could not feed ourselves. How could we feed the POWs? We released them all. There's no one else to release."

"History is history. And history is the past." Do Muoi stated, declaring that the Vietnamese Communist Party, government and people are determined to establish a new relationship on the principle of mutual respect for independence and sovereignty, and equal and mutually beneficial cooperation.

With the investment and cooperation of Korea, Vietnam wishes to bolster the fields of metallurgy, engineering, shipbuilding, electronics, chemicals building materials and energy.

During the process of projecting costs for gradual industrialization, the Hanoi government soon came to realize that Vietnam was short in energy resources. Currently they operate on thermal and hydroelectric power.

"If we fully utilize the thermal and hydroelectric power plants, we will then think nuclear," the general secretary disclosed.

"Certainly when thermal and hydroelectric resources are exhausted. Certainly many people are offering. But it's not time yet," he said, adding that experts of the two countries can soon study the possibility of cooperating in this field.

Do Muoi refused to favor any firms over another, simply stating, "I welcome all enterprises. We are ready to invite whoever will cooperate with us."

When pressed to comment on the quality of the South Korean reactors, Do Muoi only said, "I think that is an internal affair between South Korea and the U.S."

Do Muoi said that during his talks and meetings with President Kim Yong-sam and other South Korean leaders, he was moved by the "heartfelt feelings" demonstrated by the Koreans toward the Vietnamese people and their desire to further bilateral relations.

Do Muoi praised the achievements of South Korea as a country that within 30 years turned "a country with a small acreage, a large population and almost no natural resources into a country with an advanced economy whereby many companies and goods have become famous and highly competitive on the international market."

This, he claims, is due to the "Korean people's strong willpower, eagerness to learn, industriousness, a sense of thrift and creativity."

Do Muoi, along with his 40-member delegation, departed Cheju island Monday morning for a four-day visit to Japan, where he will attend bilateral talks in Tokyo.

The Vietnamese delegation had arrived in Seoul on April 11 for an official visit at President Kim Yong-sam's invitation given in his capacity as the president of the ruling Democratic Liberal Party.

Citizens Group To Push for Project in Vietnam

SK1504051595 Seoul YONHAP in English 0441 GMT 15 Apr 95

[FBIS Transcribed Text] Seoul, April 15 (YONHAP)—The Citizens' Coalition for Economic Justice (CCEJ) said on Saturday that it decided to push for a local community development project in Vietnam, its first project attempting to aid a third world country.

The private organization plans to put 140 million won (about 180,000 U.S. dollars) including 25 million won to be provided by the Korea International Cooperation Agency (KOICA) in the development of Ha Tay town near the city of Hanoi.

The CCEJ will send two of its staff members next month to Vietnam for an on-the-spot survey of the farm area development project where they expect to provide financial support for farm households through a credit association there and construction of a fish farm.

Under the project, the CCEJ will also establish a vocational training center, supply school equipment and push for exchanges between students of Vietnamese and South Korean schools.

The CCEJ selected Vietnam as the region for its first overseas project because the country is geographically near Korea and could prove to be a model for North Korea's possible changeover from a socialist economy to capitalistic one.

Advisory Team Forming on Defense Procurement

SK1504021795 Seoul YONHAP in English 0201 GMT 15 Apr 95

[FBIS Transcribed Text] Seoul, April 15 (YONHAP)—The government has decided to form an advisory group to better manage the overseas procurement of military equipment and other defense ability improvement programs.

An official at the Finance and Economy Ministry said Saturday the projected group will be tasked to rigidly study the efficacy of weapons systems as well as the feasibility of Yulgok projects, namely, overseas procurement of military hardware. The team, comprised of about 10 experts in the private, government and military sectors, will go into business next month prior to the formulation of next year's budget in June, the official said.

"The idea of an advisory group has been conceived as there have been problems in the preparation of military budgets due largely to the lack of relevant military knowledge among budgetary officials," he said.

A source said that in asking for annual funds, the Defense Ministry used to refuse to itemize budget plans using military secrets as an excuse, making it all the more difficult for budgetary officials to examine the justice of individual weapons programs.

In addition, the government plans to formulate military operations and maintenance expenses on the unit of divisions instead of armies, beginning next year, provided that the budgetary manpower situation permits it, he said.

This year's defense outlays stand at 11,074.4 billion won or 22.2 percent of the total government general account budget reaching 49,987.9 billion won.

Operations and maintenance expenses account for about 70 percent of the total defense outlays with the remaining 30 percent being the cost of forces improvement including Yulgok projects.

Plan To Purchase Early-Warning Aircraft Viewed

SK1704055595 Seoul SISA JOURNAL in Korean 20 Apr 95 pp 22, 23

[Article by reporter Kim Pang-hui: "Self-Reliant National Defense That Pays a High Price"]

[FBIS Translated Text] It has been learned that the government has finally decided to purchase airborne early-warning aircraft in 1998, an issue that had remained controversial to the present. The decision to purchase airborne early-warning aircraft was disclosed when the mid-term national defense plan was made public. The mid-term national defense plan, however, does not include specifics, such as the number and model of early-warning aircraft to be purchased.

Military authorities have been examining ways to purchase early-warning aircraft, while paying attention to the reality that we are depending upon the United States for most of our tactical control systems. But, because the aircraft is extremely expensive, the military authorities have been hesitant to purchase it. Meanwhile, since the end of 1993, when it sold two ultramodern early-warning airplanes to Japan, the United States has been eager in trying to sell this aircraft to the ROK, Saudi Arabia, Italy, and some Southeast Asian nations.

ROK Has Requested Early-Warning Manufacturer To Provide Valuable Information

In particular, the United States has actively sought to export airborne early-warning control (AEW & C) aircraft, a less expensive model, to those countries that do not need Airborne Warning and Control System (AWACS), an expensive, ultramodern early-warning system model. In this connection, JANE'S DEFENSE WEEKLY, an influential military magazine, reported in March that "The ROK and Turkey had requested the AEW & C manufacturer in the United States information on a reasonable price level."

An airborne early-warning aircraft is an aircraft that detects enemy aircraft or missiles infiltrating in the sky. In particular, its main mission is to detect low-altitude, infiltrating aircraft or missiles the radar cannot detect from a long distance.

The U.S. Navy began developing the early-warning aircraft in the late forties. Its prototype was an Avenger aircraft equipped with the search radar as a countermeasure to cope with the Japanese Air Force's kamikaze airplanes. Later, as the radar and missiles were developed, the importance of such an early-warning system increased. The system is now used by major countries in the world. Recently, in addition to its original function, the early-warning system has had command or control functions over friendly forces aircraft.

AWACS is the name of an ultramodern early-warning aircraft manufactured by the U.S. Boeing Corporation. The aircraft is a Boeing-707 jet equipped with a large cylindrical-shaped radar on top. Boeing began research on AWACS in 1966 and concluded its first sales contract with the U.S. Air Force in 1973. But, at that time, this aircraft was not very popular because of its funny large mushroom shape, and because of the controversy over its function.

AWACS fully displayed its might as a flying control tower during the Gulf war. This early-warning aircraft is capable of receiving and giving radar signals within a radius of as much as 320 km at the altitude of as high as over 6.4 km. After enemy airplanes took off, this early-warning aircraft played the role of detecting them before they came within shooting range of artillery or missiles, and of giving directives to the allied forces' Air Force to block incoming enemy planes. Although this early-warning aircraft did not fire a single shot, it used its weapon, namely information, which is particularly important, thereby immediately emerging as the symbol of the U.S. military electronic capabilities.

At present, this early-warning aircraft is operated by the United States (34 airplanes); NATO (18); and Saudi Arabia (5). The United Kingdom and France have ordered seven and five AWACS, respectively. Japan has also ordered two AWACS aircraft worth $840 million (about 670 billion won in Korean currency); and is planning to purchase four in the long term. Unlike the previous model, the AWACS Japan will purchase from Boeing in 1998 will be a new Boeing 767 model equipped with a radar system.

Another major airborne early-warning aircraft is the U.S. Navy's E-2C Hawkeye aircraft, which is often called AEW [airborne early-warning]. Because it uses propeller-powered engines, this early-warning aircraft, which was introduced in 1972, is slower; its operational range is shorter; and its controlling function is less sufficient than the AWACS. In contrast to such shortcomings, it has one good point: its low price. Due to this, the Hawkeye is the most popular model among all early-warning aircraft models. At the moment, in addition to the U.S. Navy, Israel, Egypt, Singapore, France, Japan, and Taiwan have purchased or are planning to purchase such aircraft. According to the Northrop-Grumman Corporation, the aircraft manufacturer, the corporation is also planning to sell this model to the ROK, Thailand, Kuwait, Bahrain, the United Arab Emirates, and Oman.

In 1976, when a Soviet MiG-25 flew to Japan to seek refuge, it posed a problem in terms of the Japanese air defense system; in response, the Japanese Self-Defense Air Force decided to purchase this early-warning aircraft. In 1986, Japan established an early-warning unit and now has a total of 13 early-warning Hawkeye aircraft. Japan is trying to improve the E-2C Hawkeye aircraft's capabilities in detection, electronics and communications, and identification and navigation.

The United States Is Refusing To Transfer Technology Although It Is Selling Its Weapons

In addition to these two models, it is possible to install radar equipment on other aircraft so they can have early-warning functions. In particular, since 1991 the Northrop-Grumman Corporation, the manufacturer of the Hawkeye aircraft, has conducted research on ways to equip Lockheed Corporation's multi-purpose C-130

Hercules transport aircraft or P-3 maritime reconnaissance aircraft with the Hawkeye's radar system, with a view to manufacturing less expensive early-warning aircraft. It has been learned the ROK Government recently requested price data on these two models.

Since the Gulf War, those in ROK military circles have earnestly conducted discussions on purchasing early-warning aircraft. At the time, they witnessed the might of the early-warning aircraft; they also paid attention to the fact that a shorter period of time would be needed on the Korean peninsula than in the Middle East to detect an enemy surprise attack or missile firing. At the moment, the ROK depends totally upon the Tactical Control Center of the U.S. Forces in the ROK for information related to take-offs and landings of North Korean fighters. An increasing number of people have stressed the need to make preparations against the day when the Seventh U.S. Air Force takes its hands off the Korean peninsula.

The military experts predict that if the ROK purchases early-warning aircraft, we will have to purchase more than four such aircraft because it is a fundamental rule to operate more than two early-warning aircraft at the same time; in our case, the areas of operations are divided into the East and West Sea [Sea of Japan and Yellow Sea]. Therefore, the problem now lies with the price of the AWACS, which cost at least $150 million (about 120 billion won) each. Many question whether it is really important to introduce the early-warning system by having to pay such a huge amount of money. It is expected the controversy will continue for the time being.

Thus, people are talking about a second-best measure. The idea is to purchase the Hawkeye aircraft, whose performance level is lower but by far cheaper than the AWACS, or to purchase early-warning aircraft equipped with radar equipment installed on the C-130 or P-3 aircraft. One expert pointed out: "The more we talk about trying to take back military sovereignty from the United States by discussing purchases of early-warning aircraft, the more we will have no choice but to accept the stark reality [kimakhin hyonsil] that we have to depend upon expensive U.S. weapons." He added: "If we believe we have put an end to discussions on the purchase of the aircraft by making a final decision on the purchase, then the question now is how to purchase it."

Like other weapons system, the terms of purchase of early-warning aircraft will be determined by the negotiations. Experts point out we should be given the opportunity to absorb the avionics technology in the process of the purchase of early-warning aircraft; for that matter, we will have to learn from the mistake Saudi Arabia made in the process of purchasing early-warning aircraft in 1981.

In 1980, when the Iran-Iraq War broke out, the then Carter administration dispatched four AWACS to Saudi Arabia to help the latter protect oil transport routes in the Persian Gulf. When the Reagan administration was inaugurated five months later, Saudi Arabia tried to purchase the early-warning aircraft, and the U.S. administration approved.

The problem was the opposition offered by the Israeli Government and the Jewish lobby within the U.S. Congress. The Israeli Government expressed the concern that if Saudi Arabia operated the early-warning aircraft, the operations of the Israeli Air Force would be fully exposed. In 1981, the U.S. Congress also gave its approval to the sale of the early-warning aircraft to Saudi Arabia. This notwithstanding, the purchase terms for Saudi Arabia deteriorated terribly. Originally, Saudi Arabia was supposed to pay $3 billion for five AWACS, eight mid-air refueling planes, and relevant spare parts; however, the country failed to secure any guarantee on technology transfers. On the contrary, Boeing Corporation, the manufacturer of the AWACS, took charge of the management and education of the early-warning aircraft by dispatching relevant officials to Saudi Arabia, thereby completely preventing Saudi Arabia from acquiring the opportunity to learn the technology related to the early-warning aircraft.

Cho Sun Candidate for Seoul Mayor Race

SK1404113195 Seoul YONHAP in English 1052 GMT 14 Apr 95

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—Cho Sun, former deputy prime minister whom the opposition Democratic Party (DP) plans to recruit as its candidate in the upcoming Seoul mayoral election, said Friday he would run in the election on the opposition ticket.

Meeting with reporters upon his talks with DP President Yi Ki-taek at the Seoul Garden Hotel, Cho said he would try to obtain the DP ticket through competition with other party contenders.

"Competitive selection is a principle of democracy and it is natural that the party nominates a man who emerges victorious in a competition," he said.

Cho said he had accepted the DP suggestion that he run in the election on the DP ticket in the conviction that "the local autonomy system is the root of democracy to which I wish to contribute."

The ex-deputy premier said he has chosen the opposition party in the belief that political parties should be healthy for the development of politics and that to this end, the role of opposition parties is important.

As to the time of Cho's formal entry into the party, Yi Ki-taek said he would join the party at the soonest possible date, adding that he would discuss the matter with vice DP presidents.

Electoral System Emerging as Political Issue

SK1504005995 Seoul THE KOREA TIMES in English 15 Apr 95 p 2

[FBIS Transcribed Text] A proposal that the current single-seat electorate system be changed into a multi-seat one to minimize the chronic regional confrontation that is expected to be worsened after the coming local elections is emerging as a major political issue.

Public attention is being drawn to how the nation's political forces will deal with the issue raised by some lawmakers and political science professors as it is also believed that after local autonomy is implemented, the status of mayors and country chiefs will be akin to that of elected legislators.

So far, the heads of local autonomy bodies have had to be satisfied with their 'inferior' status to lawmakers because they are not directly elected by the people but appointed by the central government.

Especially, in the case of some populous wards in larger cities, there will be only one elected chief of ward while the number of lawmakers could possibly be as many as three.

Rep. Kim Yun-hwan, state minister for political affairs, said yesterday that he thinks it is time to introduce multi-seat constituency system where three to five lawmakers can be elected from one district.

"I think this is better way for ever worsening regional antagonism than to artificially realign the nation's political forces," Rep. Kim said.

Rep. Hyon Kyong-tae, floor leader of the ruling Democratic Liberal Party, also said, "It is somewhat undesirable that more than 40 percent of legislators are elected in Seoul and its vicinity."

Under the current electorate system, where only basis of the division of the precincts is population, Hyon continued,the local representativeness of a lawmaker is seriously ignored.

After local autonomy is fully implemented, he added, he thinks the current minor electorate system where only one candidate is elected should be reformed.

Noting the possible discrepancy in number of elected heads of local autonomy bodies and lawmakers in some large city wards, he stressed that the current system should be revamped.

Some lawmakers of the main opposition democratic Party lawmakers joined ruling party officials in calling for a renovation of the current constituency system.

Rep. Hong Sa-tok said the introduction of a major or medium electorate system is desirable not only for a fair and clean election culture to take root in the country but to correct the undesirable trend that a party sweeps all seats in a certain area.

Rep. Yi Hae-chan made his opposition clear to the introduction of a medium constituency system because "it only degrades the level of the nation's politics by guaranteeing the election of candidates of the ruling and main opposition parties."

"However," he continued, "I agree with the implementation of a major electorate district where more than three lawmakers are elected because it will promote the election of candidates of minor political parties."

Along with the ruling and opposition party lawmakers, some political science professors claimed that the issue of electoral district renovation should be publicly discussed before the next National Assembly elections slated for next April.

Prof. Yun Yong-o of Kungmin University said that the Assembly committee on reorganization of electoral districts, which has just wrapped up its works, should have put more priority on reviewing on broad a basis the current electorate system than on dividing and merging existing precincts.

He maintained that as the 15th general elections are one year away, the nation's political circle should tackle the issue so that it could be publicly discussed and then taken up at the regular Assembly session in this September.

Prof. Choe Han-su of Konkuk University said should the multi-seat be implemented, political generation shift will be promoted more rapidly as new faces will have more chances to participate in politics.

Chon Tu-hwan Sued for 'Insurrection Case'

SK1504023095 Seoul YONHAP in English 0210 GMT 15 Apr 95

[FBIS Transcribed Text] Seoul, April 15 (YONHAP)—Reps. Kim Ok-tu and Han Hwa-kap of the opposition Democratic Party (DP) have sued former President Chon Tu-hwan and nine others for fabricating the so-called Kim Tae-chung insurrection case in 1980, the prosecution said over the weekend.

In a letter sent to the Seoul District Prosecutor's Office on April 3, the proteges of the former opposition leader claimed Chon and the others detained Kim and other opposition politicians before the government proclaimed expansion of martial law throughout the country on May 17, 1980, in a plot to falsely accuse them of leading the Kwangju citizens' uprising for democracy in May.

Chon, who held the reigns of the Army in "the coup d'etat-like incident" he staged on Dec. 12, 1979, forged the insurrection case in order to eliminate influential politicians from society and "rationalize his usurpation of power," they added.

The action has come when the prosecution's investigation into the Army's merciless suppression of the Kwangju uprising is in the final stage of interrogating the three former presidents involved in the armed suppression.

When 22 opposition politicians raised a similar lawsuit against Chon in November last year, Reps. Kim and Han did not join them because their mentor Kim Tae-chung did not want to make an issue of his past.

According to the lawyers of Kim and Han, they instituted the legal action against Chon and his company in a bid to expedite the prosecution's investigation into the armed suppression of the Kwangju uprising.

The prosecution's investigation focuses on the May 17 expanded martial law and the mobilization of Army troops to suppress the Kwangju uprising, the Kim Tae-chung insurrection case and the dissolution of parliament, and the establishment of the junta called the special committee for national security measures and its activities.

Dissident-Turned-Lawmaker on Party Politics

SK1504011295 Seoul THE KOREA TIMES in English 15 Apr 95 p 2

[By staff reporter Sin Hak-nim]

[FBIS Transcribed Text] Is the nation's two party-controlled politics in a crisis? Few would say "yes," though an increasing number of people are expressing their disillusionment with old-fashioned politics.

However, in the eyes of Rep. Yi Pu-yong, a leading dissident-turned lawmaker, the nation's party politics is heading toward a crisis. Yi said he believes that such political situation is caused and aggravated by regionalism and die-hard political leaders using it.

Warning against the upsurge of regionalism in and after the June 27 local elections, Rep. Yi criticized top leaders from both the ruling and opposition camps for attempting to fan or exploit the deep-rooted regionalism, which has ruled Korean politics for the past four decades.

Rep. Yi was obviously referring to the "three Kims," Kim Yong-sam, Kim Tae-chung and Kim Chong-pil.

"The political leaders are making desperate efforts to seek their personal ambitions or extend their political lives by using this regionalism," Rep. Yi, 53, told THE KOREA TIMES yesterday.

As signs of reviving regionalism, Rep. Yi cited his party leaders' attempt to form a coalition with a splinter party led by Kim Pok-tong, brother-in-law of former president No Tae-u, and Kim Chong-pil's founding of his own party comprising his old-time followers, most of them from the Chungchong province.

"Political realignments are rapidly taking place, not in accordance with political beliefs or policy lines but with regional backgrounds. Under these circumstances, it is nonsensical to talk about national reunification and globalization," Yi said, expressing deep concern that the sphere of political influence will be divided into three or four regions controlled by the political leaders as was witnessed in and after the presidential and Assembly elections in 1987 and 1988, respectively.

At that time, president No was enjoying hegemony in the Taegu and Kyongsang-pukto region, and Kim Yong-sam, Kim Tae-chung and Kim Chong-pil enjoyed absolute influence within their power bases in the southeastern province of Kyongsang-namdo, the rival Cholla province, and the Chungchong province, respectively.

President Kim Yong-sam, who realized his personal ambitions by beating his life-long archrival Kim Tae-chung in the 1992 presidential election, is not allowed to seek reelection but it does not necessarily follow that President Kim will not mind losing his political influence after his five-year term expires on Feb. 24, 1998.

Asked to assess the past two years of the Kim Yong-sam administration, Yi said succinctly, "I have given up hope for a reform by President Kim. I am very pessimistic of the future prospects of his reform,"

His words of criticism of opposition leaders, including Kim Tae-chung, sounded more acute.

In particular, he raised his voices in criticizing the DP's [Democratic Party] move to admit corrupt politicians, who served past dictatorial governments, into the DP, and to seek an alliance with former ruling elite figures from the Taegu and Kyongsang-pukto (TK) clique.

Kim Tae-chung is reportedly seeking a rapprochement with TK leaders while Yi Ki-taek, president of the DP, is also busy wooing senior TK members to expand his personal power base with the 1997 presidential election in mind.

Asked what he believes is behind such moves, Yi said, "I think that such moves result from a sense of complex that the DP has a limited regional power base. However, such attempt to cope with this complex by admitting even immoral politicians from the TK clique cannot be justified and will cause a serious setback to our party."

He went so far as to say, "The DP is no longer qualified to criticize the creation of the Democratic Liberal Party by the merge of three parties (headed by No Tae-u, Kim Yong-sam and Kim Chong-pil in 1990) nor to argue against the reforms by the ruling party."

Since being fired by the vernacular daily TONG-A ILBO in 1975 for leading press freedom protests, Yi has led dissident organizations against the authoritarian regimes along with Kim Kun-tae and Chang Ki-pyo.

Yi joined the Democratic Party led by Yi Ki-taek in 1991 and played a key role in creating the current main opposition party with the same name by merging with Kim Tae-chung's Party for Peace and Democracy.

Elected to the National Assembly in Kangdong-A district of Seoul in March, 1992, he has led a group of reformist, young legislators in the main opposition party. However, he voluntarily abandoned this role recently partly because of differences with other group members over how to push a reform drive within political circles.

"Leading the reformist group, I have asserted that our group should air our own voices (on major political issues). The first action should begin with coping with regionalism and with pushing for intra-party democracy, but I realized this was a very difficult mission," Yi said, pointing out that some group members failed to act independently because of their affiliations with the Tonggyo-tong faction comprising followers of Kim Tae-chung.

"I believe regionalism and its problems will emerge as a foremost political issue after the June local elections," Rep. Yi said, suggesting that a "new reformist political force" be formed to realize the goal of reforming old-fashioned politics.

Businessman Criticizes Government Economic Policy

SK1404083395 Seoul YONHAP in English 0708 GMT 14 Apr 95

[FBIS Transcribed Text] Seoul, April 14 (YONHAP)—Thursday's harsh criticism of the government's economic policies by the Samsung business group's chairman Yi Kon-hui is creating some controversy in the administration as well as in business circles.

Yi, now on a business trip to China, made the criticism during a conference with South Korean correspondents in Beijing, claiming that South Korea cannot become an advanced country unless the government eliminates administrative regulations and the alleged authoritarian traits in its economic policies.

Yi argued that South Korea's political and administrative ability is "fourth and third class, respectively," while the capability of businesses is rated "second class," saying that the standard of the government and the people fall far behind that of advanced countries and that they still have a long way to go before Korea can become a "first rate nation" in the 21st century.

"The administrative restrictions have not been eased even after the present government was inaugurated," he asserted. "We need to get some 1,000 seals on the documents in order to obtain government approval for building a semiconductor factory."

Referring to the government's recent issuance of a permit allowing Samsung's advancement into the automobile industry and plan to build an auto factory in Pusan, Yi insisted that Samsung obtained the government's approval thanks not to the "honeymoon relations between Samsung and the government" but to Pusan citizens' demand. Nevertheless, he added, the Pusan city government is attempting to profiteer from the business deal with Samsung.

Reacting sensitively to Yi's controversial remarks in Beijing, the government and financial circles are interpreting them from various angles.

Upon receiving a report from the South Korean Embassy in Beijing, Chongwadae [presidential offices] began to examine the real intention behind the statements.

A Chongwadae official said that the president's office may prepare countermeasures after realizing what the real intentions are behind his remarks, adding "If the press report turns out to be true, we could hardly overlook it."

Officials at the Finance-Economy and International Trade-Industry Ministries expressed worries over the controversial remarks by the Samsung chairman.

A senior official at the International Trade and Industry Ministry pointed out that if Yi's statements are true, they will stir a great deal of controversy.

Business circles are also worried at the possibility that Yi's speeches at the news conference might bring about the cooling of relations between the government and economic circles of the country.

A businessman said that Yi made the statements in too straightforward a manner. But the secretaries at chairman Yi's office explained that his remarks were not intended to embarrass the government.

Cambodia

Khmer Rouge Warns Clinton of U.S. Defeat

BK1504083695 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 14 Apr 95

[FBIS Translated Text] McNamara, former U.S. defense secretary when Kennedy was president, admitted that the U.S. defeat in the Vietnam war was due to the inability of the United States to grasp the forces opposing the war of aggression of the American and the Vietnamese people. This was a mistake by the United States.

This admission by McNamara is a warning to the Clinton administration, which is implementing another wrong policy in Cambodia by collaborating with communist Vietnam to wage a second war of aggression in Cambodia. The current U.S. war of aggression in Cambodia relies on the forces of communist Vietnam's puppets. In Cambodia, the communist Vietnam's lackeys are detested more than excrement by the Cambodian people. The Cambodian people in rural areas, in Phnom Penh, as well as Cambodians abroad, are attacking the lackeys from every direction. They will not allow Vietnam's lackeys, who are stupid gangsters from the dregs of society, to manage state affairs and to kill the Cambodian nation and race.

Moreover, the United States is continuing communist Vietnam's war of aggression at a time when the entire Cambodian people inside and ouside the country are persistently struggling to end the war and to achieve peace and national reconciliation to end the long-standing suffering and destruction resulting from communist Vietnam's war of aggression. Therefore, the U.S. war of aggression in Cambodia at this time is completely against the will of the entire Cambodian nation and people, all 9 million of them.

For this reason, no matter how much money and weapons the United States gives to the two-headed government, the war the United States has been waging for two rainy seasons and two dry seasons is being successively defeated to the point that the two-headed government is lying on its back and waiting only to die.

This confirms that no force can win against the will of a nation and people who fight to defend their independence, territorial integrity, and race. If the Clinton administration does not draw lessons from history and from the war of aggression in Cambodia, it will certainly be ignominiously defeated, as it was in the war in Vietnam and Cambodia from 1970 to 1975.

Editorial: Armed Forces Pledge Loyalty

BK1504093095 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 14 Apr 95

[Station editorial: "The New Year Brings Goodness and Happiness to the Cambodian Nation"]

[FBIS Translated Text] The traditional new year of the entire Cambodian people falls on 14 April 1995. The new year of the pig arrives at a time when the Cambodian people are making progress in every field, particularly in developing the country and nation and promoting respect for human rights and democracy, with His Majesty serving as the King as leader and very cool shade.

On this joyous occasion the entire Khmer Royal Armed Forces [KRAF] would like to join with the entire Cambodian people inside the country and Cambodian residents abroad in the celebrations to welcome the traditional new year. This is part of our Cambodian nation's age-old culture. The year of the dog has passed, in which many historic events were recorded in our fine Angkor motherland. These events received the attention and active assistance of the international community. The third ICORC [International Conference of the Reconstruction of Cambodia] meeting, for example, decided to provide aid to Cambodia worth over 1,000 million dollars, and so on.

Firmly adhering to and following the clear-sighted leadership of His Majesty the King over the past two years and more, the nation's prestige and honor have been restored following efforts to build democracy in the Kingdom of Cambodia, efforts which have been well acknowledged in the international arena. This confirms that the Cambodian people do love peace, independence, and the integrity of their territory.

The good will based on the positive stance of the Cambodian people also requires moral and material support and assistance from the international community, as well as human resources, so as to rehabilitate and develop the Kingdom of Cambodia the way it developed in the Sangkum Reas Niyum era.

While it is true that the rehabilitation and development of the nation are being undertaken, the Royal Government and the Cambodian people still face many difficulties in the task to serve the nation, religion, and king. Faced with this situation, civil servants, the KRAF, and people from all walks of life have intensified their cooperation and solidarity to abide by the Constitution. They are making efforts to fulfill their duties until satisfactory results are achieved all over the country.

The achievements of the KRAF, in particular, are numerous and remarkable. The outstanding achievements of our officers and troops include the reorganization of high-ranking officers; the internal solidarity and good cooperation with civil servants and people in all localities nationwide; the psychological campaign that persuaded many Khmer Rouge soldiers to return to society and the nation; the task of ensuring security to society and the country; the contribution to develop the country and nation in all localities; the technical and disciplinary training; and the good relations with the armies of neighboring countries. In short, in the past year the KRAF completed their missions with profound political consequences and have been more and more welcomed by the Cambodian people, who recorded these achievements in the nation's history.

The new year opens a new era of hope for the destiny of the Cambodian people, who will get peace and achieve development in every field. Experience in the past year is the best key for studying the good points and those that cannot yet be implemented so as to achieve success in carrying out the major tasks in the new year from cities to rural areas.

In the new year, the KRAF and militia forces pledge to further expand and consolidate their good image so as to be worthy of being the bastion of peace of the country and nation and also the people's entire trust. In the new year all officers and men are determined to increase their military achievements for all the important tasks assigned by the Royal Government. Under the Royal Government's leadership the KRAF will strive to increase their capability and quality; firmly adhere to an honorable discipline; and conduct studies in every field. They are resolutely determined to achieve success no matter how hard the tasks are. They are unswervingly loyal to the correct and just leadership of the Royal Government.

For the traditional new year of the pig, officers and men of the KRAF are wholeheartedly joining in our nation's glorious celebrations. May the angels of the new year bless the Cambodian people; may they enjoy happiness forever.

National Bank Official on State of Riel

BK1504090295 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 14 Apr 95

[FBIS Translated Text] Chulong Somura, deputy governor of the Cambodian National Bank, said on 12 April that the riel is stabilizing, with only minor interventions from the National Bank last Wednesday to maintain the riel's value against the dollar.

According to another source at the National Bank, last Wednesday the National Bank put up 600,000 dollars for sale at 2,223 riel per dollar. This week the Ministry of Economy and Finance announced that traders had cleverly taken advantage of the market rate. The National Bank Deputy Governor said that Cambodia is a liberal country and its citizens can buy or sell dollars any time they want.

On 12 April, His Excellency Keat Chhon, minister of economy and finance, said that his ministry had made further interventions this week to support the stabilizing influence of the statement on the riel.

Indonesia

MP Denies Involvement in Anti-Suharto Movement

BK1404133995 Jakarta ANTARA in Indonesian 1614 GMT 13 Apr 95

[FBIS Translated Text] Jakarta, 13 Apr (ANTARA)—Sri Bintang Pamungkas, a member of parliament who is facing a recall [preceding word in English] move from parliament by his own party, says he is being made a scapegoat with the allegation that he was involved in a recent demonstration in Germany when President Suharto was visiting that country.

"I am being made a scapegoat, and I want to lodge my protest. This is unacceptable because I am being charged with subversive activities that could result in an indefinite period of imprisonment," said Sri Bintang to reporters at the Legal Aid Institute office in Jakarta on Thursday [13 April] about one hour after his return to Jakarta from Amsterdam. He arrived at the Sukarno-Hatta Airport on Garuda flight GA975 from Amsterdam at about 1522. As soon as he appeared at the arrival hall, he was mobbed by dozens of reporters and security officials, resulting in a minor commotion.

Sri Bintang, who was greeted by human rights lawyers; Adnan Buyung Nasution, H.C. Princen, and Mulyana W. Kusumah on his arrival, was scheduled to give a news conference at the airport on the allegation of his involvement in the protest demonstration overseas, but due to the commotion, he only issued a short statement and the press conference was finally held at the Legal Aid Institute office.

The alleged involvement of Sri Bintang Pamungkas, [former TEMPO editor] Gunawan Mohamed, [student activist] Yeni Rosa Damayanti, and two others at the protest demonstration in Germany was first disclosed by Army Chief of Staff General R. Hartono on Tuesday.

Speaking on Wednesday, Police Brigadier General I.K. Ratta, chief of Police Information Service, said they will be asked to explain their involvement in the demonstration.

Sri Bintang said he definitely cannot accept the allegation, saying that the Indonesian Embassy in Germany, especially its defense attache, should have been held responsible for the protest demonstration because he had failed to anticipate the incident.

Even though he admitted was among the demonstrators, he rejected allegation that he was involved in the demonstration, let alone masterminded it, because his presence was aimed at learning more about the nature of the demonstration against Indonesia.

"If I were found among bad guys, does it mean that I am also a bad guy?" he said.

He said he was surprised with the allegation that along with Gunawan and Yeni, he had masterminded the demonstration. "It is impossible to mastermind a demonstration consisting of people I don't even know," he said.

He said the demonstration was organized by a group of people calling themselves Amnesty International, which monitors human rights violations throughout the world.

Sri Bintang said his presence in Germany since 29 March was at the invitation of Hannover University to discuss Indonesia's economic issues on the eve of the country's Second Long-Term Development Master Plan. He was also scheduled to speak at a university in Berlin and give interviews to the Netherlands Radio, BBC, and a German radio station.

"My visit to Germany was aimed at attending several scientific forums. The Indonesian Students Association in Europe and a branch office of the Indonesian Muslim Intellectuals Association were among those that had invited me," he said.

He said he was preparing the invitation cards from these organizations to show as evidence if the authorities decide to question him on the purpose of his visit to Germany.

He said his presence in Germany has nothing to do with the demonstration and President Suharto's visit to that country because he had actually postponed his trip several times.

"I could accept the invitation to address the forums only when I had completed my duties in parliament," he said.

As for the demonstration in Dresden, he said he knew nothing about it because he was not there.

Editorial on Threats by 'Primordial Forces'

BK1304151595 Jakarta SUARA PEMBARUAN in Indonesian 11 Apr 95 p 2

[Editorial: "Two Ministers With Two Important Things"]

[FBIS Translated Text] Special attention should be given to two important things cited by two ministers on different occasions. Defense and Security Minister Retired General Edi Sudrajat spoke about primordial forces in relation to national integrity when opening the 27th regular course of the National Defense Institute in Jakarta on 10 April.

The minister of defense and security said that various forces, usually called primordial forces, have emerged since the end of the East-West rivalry, and these forces are capable of diluting national integrity. The primordial forces challenge and threaten the people's unity within the framework of national unity and cohesion.

Meanwhile, Home Affairs Minister Yogi Suardi Memet said in a lecture before participants of the 30th course of the Wira Waisha Association in Lembang, Bandung on 10 April that the political system under Pancasila democracy should be fully implemented to enhance the people's political education and serve the people's aspirations. As the minister of defense and security reminded us, such primordial forces could dilute national integrity, and the minister of home affairs stressed that the political system should be able to maintain sound and dynamic national stability.

Primordial forces and political systems that are irrelevant to the national way of life and identity should be constantly watched because they could threaten national unity and cohesion. In particular, such primordial forces and political systems that are irrelevant to national identity are very dangerous for our pluralistic society because of rapid and basic changes in almost all aspects of life in the world.

Experiences in many countries show how primordial forces have torn apart their national unity and cohesion. Similarly, the application of a political system that is irrelevant to the way of life and identity of a nation has rendered its national integrity very fragile and even subjected the nation to continued political crises and instability.

Being aware of this danger, any extreme and aggressive primordial force should be constantly watched. For our society, any forms of primordial interests are a sensitive point for national integrity. Accordingly, the minister of defense and security correctly said that developing countries, especially the ones with pluralistic and heterogenous societies, should constantly anticipate threats to national unity and integrity.

Likewise, what the minister of home affairs said is worthy of our attention. He said that the realization of Pancasila democracy, including the strengthening of political culture and ethics relevant to national way of life, will counter the threats of primordial forces.

The implementation of the political system under Pancasila democracy, as stressed by the minister of home affairs, is becoming even more important because certain parties believe that everything will be all right once Pancasila "stamps" are used. Some also believe that democracy has been well implemented through legislative bodies, sociopolitical organizations, nongovernmental organizations, and other bodies.

Democracy will become a reality in our country only if political suprastructure and infrastructure function concretely and most optimally and are committed to the people's aspirations and interests or if they interact positively, objectively, creatively, and critically within the framework of political culture and ethics relevant to the way of life of our nation. Let us take political ethics as an example! If the House of Representatives promises not to increase prices, it will have to strictly honor its promise to the people. Should there be an urgency to increase the prices, the matter will have to be deliberated first.

So, talking about the implementation of Pancasila democracy, it is important to avoid actions that harrass and abuse Pancasila, because there have been cases of Pancasila being abused to cover up practices which are contradictory to humanity, democracy, national integrity, and social justice.

Therefore, special attention should be given to the two important and interesting things cited by the two ministers, and all parties should carry them out.

Philippines

Foreign Secretary Romulo Submits Resignation

BK1704060995 Hong Kong AFP in English 0509 GMT 17 Apr 95

[FBIS Transcribed Text] MANILA, April 17 (AFP)—Philippine President Fidel Ramos said Monday that he had accepted the resignation of Foreign Secretary Roberto Romulo. Ramos said he accepted the resignation of Romulo, who had earlier taken resposibility for the hanging of Filipina maid Flor Contemplacion in Singapore a month ago, "with deep regret." Ramos commended him for his "exemplary stewardship of diplomatic affairs." Ramos said he had appointed Philippine ambassador to Japan, Domingo Siazon, as acting foreign secretary.

Ramos Accepts Resignation

BK1704073395 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0641 GMT 17 Apr 95

[FBIS Translated Text] President Ramos today revealed his acceptance of Foreign Affairs Secretary Roberto Romulo's resignation from his post, effective 30 April. Romulo will be replaced by Ambassador Domingo Siazon, Jr., the country's envoy to Japan.

[Begin Ramos recording, in English] The Honorable Roberto Romulo, Department of Foreign Affairs, Roxas Boulevard, Metro Manila.

Dear Secretary Romulo,

It is with deep regret that I accept effective 30 April 1995 your letter of resignation dated 3 April 1995.

I wish to thank you most sincerely for the services you have rendered as secretary of foreign affairs for the past 34 months.

Your decision to join the government on my request on June 30, 1992 and to accept public service as a duty in spite of the inherent difficulties, risks, and sacrifices manifests your genuine love for our people and country.

With this I approved your resignation, I commend you for your exemplary stewardship of the Department of Foreign Affairs which was marked by many significant breakthroughs in the diplomatic and economic fields. I am confident that the department and our country benefited much from the expertise, managerial skills, integrity, and professionalism that you have displayed as principal Cabinet member in charge of our quote, economic diplomacy thrusts that you succeeded in leading the department to heights of achievement even under the most trying and difficult circumstances [word indistinct] tribute to your patriotism, dedication, and commitment.

The creative and aggressive programs you initiated resulted in the strengthening of our bilateral and multilateral relations with other countries, particularly in the key fora of ASEAN, ASEAN Regional Forum, or ARF, Asia-Pacific Economic Cooperation, or APEC, GATT, WTO, the Uruguay Round, the General Agreement on Tariffs and Trade, and the World Trade Organization, Group of 77, and the United Nations itself. For these our countrymen will always be grateful.

Public service is indeed a trying but valuable experience. That you have been through that experience as an able, articulate, and a dedicated team player in the cabinet makes it all the more commendable.

You did a great honor for our country and for yourself by your gaining for the Philippines the chairmanship of the Group of 77, which is the organization of 130 developing countries. This is an achievement unprecedented in our international relations which indicated great confidence on the part of the world community in regard to our Philippine national capacity to assume greater responsibilities.

As you attend to your future endeavors, I trust that you will continue to extend your valuable counsel and cooperation in the country's pursuit of people empowerment, global competitiveness, and international cooperation.

Surely, a person of your wide experience and proven capabilities still has much to contribute to the actualization of our common vision of Philippines 2000.

Mrs. Ramos joins me in sending our kindest regards and best wishes for your continued success and good health.

We convey the same sentiments to Lydia and the rest of your family.

Signed, Fidel V. Ramos. [end recording]

Government To Protest PRC 'Incursion' in Spratlys

BK1704090795 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 17 Apr 95

[FBIS Translated Text] The Philippines is planning to raise its objections to China's incursion of the Panganiban Reef in the South China Sea, which is within the Philippines' 200-mile exclusive economic zone, with three international bodies. The government will protest to the International Court of Justice, the United Nations Security Council, and the International Seabed Authority.

Earlier, Foreign Affairs Secretary Roberto Romulo promised that the government would use all possible means to convince China to withdraw from the island it occupies in the Kalayaan Group of Islands. Romulo said that although the government would use international pressure, the use of force is not in its vocabulary.

'Armed Option' Ruled Out

BK1704100995 Manila BUSINESS WORLD in English 12 Apr 95 p 8

[Report by Willy G. Reyes]

[FBIS Transcribed Text] Government cannot consider the armed option for any scenario that may arise in the Kalayaan islands dispute with Mainland China.

Foreign Affairs Secretary Alberto Romulo said yesterday the Philippines can pressure Mainland China to withdraw from its Kalayaan foothold at Mischief Shoal only through diplomacy.

"War or any other means to aggression is certainly not an option for us," Mr. Romulo said, saying government's continuing diplomatic offensive with various countries and regional organizations has already reaped some fruit.

He also urged other officials involved to refrain from referring to this dispute in military terms, warning this may send the wrong signals to Beijing.

He found support from Presidential Security Adviser Jose Almonte, who told solons during a recent joint hearing of the House of Representatives committees on foreign affairs and on national defense that non-military means are often more effective than the armed option, and even Defense Secretary Renato de Villa, who said the Navy can undertake only those initiatives that are unhindered by ships of the Chinese navy.

It will be recalled the presence of Chinese warships had earlier dissuaded Philippine Navy ships from further dismantling Chinese markers and buoys in the area.

Mr. de Villa said while Mainland China "has not yet indicated it is willing to freeze its destabilizing initiatives," it has so far refrained from escalating the situation in the past few weeks.

In fact, Chinese naval force complement in the area has decreased from four surface combatants and three survey and research vessels last February to two armed and three survey and research ships.

But House Speaker Jose de Venecia, Jr. struck a more belligerent pose, urging the country's defense establishment to review its current move to trim its manpower complement from 175,000 to 100,000 personnel and to fast track its modernization program.

Still, he argued against a position recently adopted by the Association of Southeast Asian Nations (ASEAN) that consideration by rival claimants of Beijing's proposed joint development schemes in the disputed area be made contingent on the dismantling of its facilities on Mischief Shoal and the consequent withdrawal of Chinese personnel.

Instead, Mr. de Venecia said this dispute should not jeopardize prospects for undertaking Beijing's proposals even while resolution of the dispute is not in sight.

Mr. de Villa declined to comment on whether or not this issue has any effect on current moves to upgrade bilateral cooperation among the defense establishments of ASEAN member states.

"All I can say is that trend of increasing defense cooperation will go on with or without this problem," Mr. de Villa said.

PRC Fishing Boat Chased Away in Spratlys

BK1504093795 Hong Kong AFP in English 0928 GMT 15 Apr 95

[FBIS Transcribed Text] PUERTO PRINCESA, Philippines, April 15 (AFP)—Filipino police disclosed Saturday that they had chased a Chinese fishing boat driving it away from a Philippine-occupied island in the disputed Spratlys.

In the latest incident between the Philippines and China over the disputed South China Sea islands a police patrol boat chased the fishing vessel and confiscated its nets, Senior Police Officer Rolando Amurao, said in this southwestern provincial capital. He said the pursuit took place on March 30 near Patag Island, 155 nautical miles west of here.

Patag is one of seven small islands in the Spratlys garrisoned by the Philippine military in a bid to reinforce Manila's claim to part the islands which are also claimed in whole or in part by Brunei, China, Malaysia, Taiwan and Vietnam.

The incident occurred to the north of Mischief Reef, which was occupied by the Chinese navy earlier this year, sparking a row with Manila.

The Philippines later stepped up military patrols and arrested 62 Chinese fishermen and demolished territorial markers put up by the Chinese on seven uninhabited reefs and shoals.

Amurao charged that the nets were intended to catch giant sea turtles, an internationally protected species.

The Chinese boat, one of four spotted around Patag at that time, was able to rejoin its mother vessel and Philippine police did not try to approach it, Amurao said.

The officers are based in Philippine-held Pag-asa island.

Malaysian Defense Official on Spratlys Dispute

BK1704100895 Quezon City MALAYA in English 11 Apr 95 p 2

[Report by Ariel Digma]

[FBIS Transcribed Text] Malaysia yesterday supported a peaceful resolution of the dispute over the potentially oil-rich Spratlys islands which it is claiming together with the Philippines and four other nations.

In an interview at Malacanang, Datuk Paduka Ismail Bin Omar, chief of Malaysia's Defense Forces, said his country believes the Spratlys problem should be resolved "through peaceful negotiations and nothing should be done to increase the tension" arising from the rival claims of several countries.

Omar called on President Ramos yesterday as part of his visit to Southeast Asian countries. He said they discussed the Spratlys issue, particularly the setting up of structures by China in Mischief Reef, part of the Kalayaan island chain being claimed by the Philippines.

Taiwan, also a claimant, earlier sent navy patrol boats to protect its part of the islands. The other claimants are Brunei and Vietnam.

The Malaysian Defense forces chief said he and President Ramos did not talk about sending troops to the Spratlys to protect the islands.

Police Downgrade Abu Sayyaf Capability

BK1704091295 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 17 Apr 95

[FBIS Translated Text] The Philippine National Police [PNP] has assured that the Abu Sayyaf has no capability to terrorize Metro Manila in the same manner as it did recently in Ipil Town, Zamboanga del Sur.

According to General Miguel Coronel, PNP chief for operations, Abu Sayyaf is incapable of raiding Manila due to the large number of soldiers and military and police camps in the area. Coronel pointed out that the Abu Sayyaf can only st separate bombing, kidnapping, and massacre incidents in Manila.

However, Coronel assured that the military and police officials have implemented a joint operation against Abu Sayyaf's terrorism threats.

Meanwhile, the PNP confirmed that some Abu Sayyaf members were able to enter Metro Manila and are currently hiding in Muslim communities in the metropolis.

15 Abu Sayyaf Members Said Sighted in Manila

BK1704104695 Quezon City ABC-DWET Television in Tagalog 1000 GMT 17 Apr 95

[FBIS Translated Text] Fifteen Abu Sayyaf members were sighted in Metro Manila during the Holy Week. According to the police, 10 armed men and five armed women reportedly converged in Makati, boarded a bus, and headed to a suspected Abu Sayyaf hideout in Fair View [village in Quezon City]. This was confirmed by Alexander Aguirre, undersecretary of the Department of Interior and Local Government, who discussed their receipt of a report on Abu Sayyaf's possible activities in Metro Manila in retaliation for government offensives against the group that attacked Ipil, Zamboanga del Sur.

[Begin Aguirre recording in English] Well, there was such a report, an intelligence report, and so counteraction measures were done by the NCR [National Capital Region] commander. [end recording]

Possible Supporter of Abu Sayyaf Identified

BK1704010395 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 16 Apr 95

[FBIS Translated Text] An Arab [arabo] businessman is suspected to be a supporter of Abu Sayyaf. Muhammed Jamal Kalifa is alleged to have provided funds for several Islamic organizations in the Philippines and other countries. Organizations in the Philippines posing as charitable institutions are said to deliver funds to Abu Sayyaf.

Interior and Local Government Secretary Rafael Alunan said that Kalifa could be involved in the recruitment of new members for Abu Sayyaf. He added that Kalifa is a companion [kasama] of the six suspected terrorists arrested in Caloocan on 1 April. The six are linked by the authorities to international terrorist Ramzi Yusuf, alleged to be responsible for the Philippine Airlines explosion last year and mastermind of the plot to assassinate Pope John Paul II.

Government Prepares To Counter Abu Sayyaf

BK1704075195 Hong Kong AFP in English 0717 GMT 17 Apr 95

[FBIS Transcribed Text] ZAMBOANGA, Philippines, April 17 (AFP)—Muslim extremists in the southern Philippines hacked to death a group of 11 Christians they had taken hostage after ransacking the town of Ipil, a survivor said Monday.

News of the massacre, which occurred on Sunday [16 April] on the tiny island of Lingisan in Moro Gulf, northeast of here, broke in Manila as President Fidel Ramos prepared to meet security advisers to address the threat from the group, the Abu Sayyaf.

Ramos also announced he had dispatched Interior Secretary Rafael Alunan to Pakistan, whose own Islamic extremists are suspected to have links with the Abu Sayyaf, a Muslim fundamentalist group that pillaged the Christian town of Ipil on April 4, killing about 50 people.

Rustico Segundo, the lone survivor among the hostages, was rescued by government forces Sunday after having been left for dead with 13 knife wounds by the Muslim rebels who are fleeing a military pursuit.

He told AFP that the gunmen, still numbering about 200, took 13 hostages from Tungawan town, adjacent to Ipil, to Lingisan, including a woman hostage, government engineer Josie Ortega, who remained with the fleeing rebels after the massacre.

Upon reaching the island, the 12 male hostages were made to turn their backs, as the gunmen then proceeded to hack them with large knives, Segundo said.

Segundo, who spoke to reporters from his hospital bed at a military hospital here, has been pronounced out of danger, military spokesman Colonel Rogelio Mendoza told AFP. Doctors reattached Segundo's right hand, which was almost severed, he added.

The Abu Sayyaf is a recent offshoot of the Moro National Liberation Front (MNLF), which is holding peace talks with the government after a bloody but failed separatist uprising in the south in the early 1970s.

Believed to be led by Libyan-trained militant, Abubakar Janjalani, the Abu Sayyaf has been blamed for a string of bombings and kidnappings in the south over the past three years.

The group also massacred 15 male Christian hostages in the southern island of Basilan in June last year, apparently to avenge an army assault on their bases.

Ramos said he had learned from Pakistani Prime Minister Benazir Bhutto, who visited Manila earlier this year, that "international terrorists" maintained training camps "in Afghanistan, near the Pakistan border."

A suspect in the 1993 World Trade Center Bombing, Ramzi Ahmad Yusuf, was extradited to the United States earlier this year from Pakistan, where he was arrested on a tip-off from Philippine authorities who had uncovered a plot to assassinate Pope John Paul II and blow up US airliners.

A Ramzi accomplice who was arrested in Manila in January has also been turned over to Washington for prosecution, Ramos announced last week. He said Interior Secretary Alunan was scheduled to confer with his Pakistani counterpart on the terrorism issue.

Ramos said he will convene the advisory National Security Council this Friday to address the Abu Sayyaf threat, among other issues.

Meanwhile, Major General Edgardo Batenga, military commander for the southern Philippines said two more Abu Sayyaf members had been killed in a clash Sunday between the Muslim raiders and government forces in Sacol island, off Tungawan.

This raised to 42 the number of casualties on the Abu Sayyaf side since the Ipil raid, he told reporters.

Further on End to Abu Sayyaf's Ipil Attack

BK1504085795 Hong Kong AFP in English 0817 GMT 15 Apr 95

[FBIS Transcribed Text] ZAMBOANGA, Philippines, April 15 (AFP)—Six of the more than two dozen hostages seized by Muslim gunmen after the sacking of a southern Philippine town have been executed, while another was rescued, the military said Saturday. The raiders, believed to be led by the Abu Sayyaf terrorist group, pillaged Ipil town on April 4, killing about 50 people and burning down its commercial center.

Major General Edgardo Batenga, the military commander for the southern Philippines, told reporters the gunmen seized hostages in Ipil and neighboring towns shortly after the raid and executed six of them over the following three days.

One male captive was beheaded and another, the security chief of an Ipil bank, was hacked to death, he added. One of the six slain hostages was a woman.

Pursuing government forces killed one of the raiders near Pata town in Jolo island while a teenage hostage, Gilbert Emperado, 16, was rescued by an army special forces unit late Friday on Pena-Pena island, Batenga said.

Forty of the estimated 200 raiders have been killed so far while four others are now in military custody, said Colonel Jose Baladia, Batenga's deputy.

Emperado told reporters the raiders were "very tired" and had apparently run out of ammunition.

Batenga said that of the 30 hostages taken by the gunmen, 14 remained unaccounted for, including a woman government engineer and two village chiefs. The rest were either killed or escaped.

He confirmed that the Ipil raid was mounted by the shadowy group National Islamic Command Council, which claimed credit for the attack earlier this week in a statement to news agencies.

Batenga described the council as a "breakaway group" formed by factions seeking Muslim autonomy in the southern Philippines.

The Abu Sayyaf is a recent offshoot of the Moro National Liberation Front (MNLF), which is now conducting peace talks with the government after a failed separatist uprising in the south in the early 1970s. The MNLF has disowned the raiders.

The government earlier said the Abu Sayyaf was backed by radical foreign Islamic organizations, including the group who are now on trial for the 1993 bombing of the World Trade Center in the United States.

President Fidel Ramos said Friday that one of the suspects, Abdul Hakim Murad, has been turned over to Washington after his arrest in Manila in January in an alleged plot to assassinate Pope John Paul II who was visiting at the time.

In a statement issued by the presidential palace Saturday, Ramos said: "The only way the international terrorists can be prevented from implementing their plan is for all the nations to unite and cooperate through exchanges of information.

'New Group of Terrorists' Sighted in Zamboanga

BK1704013095 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 16 Apr 95

[Italicized passages in English]

[FBIS Translated Text] Zamboanga residents panicked following military reports that two pump boats loaded with a new group of terrorists landed near Zamboanga City. The new group was reported to have landed at the village of Pitugo in Zamboanga City around 2000 last Holy Friday. The armed men were suspected to be members of the Islamic Command Council, a breakaway group from the MNLF [Moro National Liberation Front]. Based on intelligence reports of the AFP [Armed Forces of the Philippines] the landing of the two new groups is a tactic to divert the attention of the military presently surrounding the terrorists in the mountainous part of Zamboanga del Sur and Zamboanga del Norte. Southern Command Chief Edgardo Batenga confirms that his men are already surrounding the terrorists in the mountains, but they are still studying what strategy to use to ensure the safety of the 13 hostages.

Interior and Local Government Secretary Rafael Alunan is set to meet with Pakistani Prime Minister Benazir Bhutto to discuss the worsening condition of terrorism in the Philippines. Alunan's mission is based on Ramos's order to establish *close intelligence cooperation*between the Philippines and Pakistan to fight the worsening terrorism in the country. At present, the terrorists are using Pakistan as *base of operations* to launch violence in other countries. The president wishes to overtake the terrorists in their plans through coordination between Pakistan and Philippine' authorities.

Thailand

Importance of APEC Finance Meeting Viewed

BK1504133395 Bangkok THE NATION in English 15 Apr 95 p A4

[Article by Surachai Chuphaka: "APEC Meeting at an Opportune Moment"]

[FBIS Transcribed Text] Finance ministers from 18 members of the Asia Pacific Economic Cooperation (Apec) could not have chosen a better weekend to meet. This second meeting, following last year's maiden conference in Hawaii, comes just when the world financial markets seem set to stay on the instability course for sometime.

Already in the first quarter of this year, financial markets have witnessed fallouts in East Asia from the Mexican peso crisis the rapid plunge of the US dollar against the Japanese yen and the turmoil brought about by the collapse of Barings Bank from derivatives trading in the region.

These events are already threatening to overshadow the original agenda, which includes finding better macroeconomic coordination and working out ways to channel funds to support the huge infrastructure in Asia estimated at $1 trillion by the US government.

The currency crisis, which Finance Minister Tharin Nimmanhemin will discuss, has at the last minute been added to the regional capital flow agenda.

The fact that Dr Chaiwat Wibunsawat, senior assistant governor at the Bank of Thailand, has also been invited to come along with the delegation reflects the importance which the Thai government has attached to both issues.

The Bank of Thailand has been instrumental in bringing together other Southeast Asian central banks to join forces to reactivate the so-called "Asean currency swap arrangement" in February, a mechanism designed to help support countries hit by instability from abrupt foreign capital outflows as witnessed in the first quarter. South Korea, Taiwan and Hong Kong have also been invited to join this arrangement. All are members of Apec.

But as far as the global US dollar/yen situation is concerned, many of the Apec finance ministers are known to prefer to leave the matter to the International Monetary Fund (IMF).

And yet, Dr Narongchai Akkhrasani, the Thai member of the Apec independent advisory panel under the so-called Eminent Persons Group (EPG), has revealed that the proposal to create a fund aimed at stabilizing Apec's members' currencies has been put on the Bali agenda.

But Thai finance officials said they were not aware of the proposal to create such a fund. Yet, they expressed that the objective of the proposed fund is understandable. The collapse of the Mexican peso and the yen's rise against the US dollar has created a chain reaction affecting most of the Apec currencies.

Somchai Ruchuphan, director-general of the Fiscal Policy Office, said the proposal to create the Apec fund might come from the Apec eminent persons group, which wants to forge closer cooperation within the economic forum.

Should Apec finance ministers agree to create such a mechanism, the finance ministerial forum would become even more significant than the Apec summit.

The fund might set the direction for the future agenda of Apec finance ministerial meetings and lead to an even tighter coordination of the macroeconomic and monetary policies among the members.

The Apec developing member countries are known to be quite wary about the development of Apec cooperation, especially in the financial and services sector.

They also don't want to institutionalize the finance ministers' forum, at least for the time being.

Washington has explicitly expressed its intention to persuade the other Apec members to jointly liberalize the finance and services sector at the level beyond what has been agreed upon during the Uruguay Round of multilateral trade talks.

The Clinton administration thought that the Gatt agreement on service is too late and too little.

Most of Asean, however, is not quite receptive to the US proposal to move beyond Gatt.

Thai Finance Minister Tharin Nimmanhemin earlier said that if Thailand is to open up its services sector, the Asean market would be Bangkok's first priority.

The country's position on the service sector is quite clear. Thailand wants to follow the liberalization pace set by the agreements of the World Trade Organization (WTO), the successor of the Gatt.

Thai officials said Thailand is ready to open up the financial and services sector to countries with similar playing fields. They are afraid that the domestic businesses would fail to survive direct competition with bigger economies such as the US.

Secondly, agreements forged at Apec meetings are partly influenced by the host country: in this case, Indonesia. Although President Suharto last year embarked on an aggressive move to push for a broad agreement on the liberalization within Apec, the Indonesian bureaucracy is unlikely to commit themselves on any specific agreements, especially on the finance service due to the same reason given by Thailand.

Thirdly, Malaysian officials would find it comfortable to express their opposition in Indonesia. Malaysia does not want Apec to be institutionalized at the expense of its brainchild, the East Asia Economic Caucus (EAEC), an aborted initiative to create an economic club among the Asian countries.

A meeting among Apec bankers is also expected after the Apec finance ministerial meeting. The Apec banker forum was agreed at during the Hawaii meeting and this year, if there is one, it will mark the first step in which the private sector is invited to criticize the government's financial and monetary policies.

Whatever is agreed at the Apec finance ministerial meeting in Bali will be eventually be tackled at the upcoming Apec summit in Osaka this November.

As host, the Japanese government seems to hold the trump card that they could be used to map the direction of future Apec agreements. Sources said that even though Tokyo has yet to clarify its position on Apec, Japan has already convened four meetings among Apec officials to sound out consensus for further development of the economic forum.

Editorial on APEC Finance Ministers Meeting

BK1504112595 Bangkok THE NATION in English 15 Apr 95 p A4

[Editorial: "Apec Should Be Cautious Over Currency Stance"]

[FBIS Transcribed Text] Since January, the financial markets in East Asia have witnessed unprecedented turmoil. Their stock markets, including the Stock Exchange of Thailand, have experienced continued plunges. The US dollar, their main international trading currency, has dipped to a record post-war low against the Japanese yen and the German mark. Fears of general economic instability have not subsided.

Thus, when the finance ministers of the 18 members of the Asia Pacific Economic Cooperation (Apec), meet today in Bali, Indonesia, they are naturally under pressure to do something. A proposal will be discussed to create an Apec currency stabilization fund to help member nations affected by rapid capital outflows from events beyond the control of the host nations.

But the Apec finance ministers, a group which also includes Finance Minister Tharin Nimmanhemin, should not hastily arrive at a conclusion that such an Apec fund can be effective in helping to stabilize exchange rates of member nations hit by the rapid capital outflows.

Volatility of major currencies

The volatility of the three major currencies—US dollar, yen and mark—is a global phenomenon. The flows of foreign exchange trading are not something dictated out of Tokyo or New York—two financial capitals of the Apec group—but also London and other cities. A regional cushion fund as proposed cannot be expected to act as effectively as the International Monetary Fund despite the latter's problems.

Such an Apec currency stabilization fund may also duplicate the growing cooperation between the central banks in Asean, which have come together to try and combat the currency turmoil. This cooperation is not an exclusive affair but is expected to be expanded to encompass possibly Taiwan, South Korea and Hong Kong later. The cooperation between these central banks can make do without the related politics and consequences surrounding the future of Apec.

An agreement on the Apec currency stabilization fund instead may produce an "institutionalization" of the regional organization, which many member countries are skeptical of. This fear is well-founded in view of the multi-track approach of the US to consolidate its economic leadership in the service technology and information-led world economic order.

The US has demonstrated that it is also prepared to use Apec as an instrument to push for financial liberalization of member countries and tying it to the new services agreement under the World Trade Organization.

Yet, the future of Apec depends on its consensus approach to managing regional economic affairs. It should not be used as a bargaining chip against the European Union or other economic blocs.

Original agenda

It is best that this weekend meeting of Apec finance ministers should stick to the original agenda of how to ensure that the financing of the regional infrastructure projects, which stretches from the booming economies of China to Indonesia estimated at $1 trillion, can be met and how these countries including Thailand, can attract and manage the external financing without incurring unnecessary foreign exchange risks or macroeconomic instability.

Ultimately, the financial stability of these nations depends on their ability to attract long-term capital flows and no short-term capital. These include foreign investors, which create manufacturing plants and jobs.

The issue of foreign currency turmoil will be one of the topics to be discussed at the interim meeting of the International Monetary Fund in about 10 days. The meeting will also be attended by Bank of Thailand Governor Wichit Suphinit.

The Apec finance ministers should not move too fast on the proposed stabilization fund. It is worth debating but efforts should foremost be given to external financing needs of Apec members in view of the rising value of the yen and the rapidness of foreign exchange movements.

Editorial Analyzes Country's Position on EAEC

BK1504151895 Bangkok KRUNGTHEP THURAKIT in Thai 15 Apr 95 p 2

[Editorial: "Those Not Joining the EAEC Are Not in the Wrong"]

[FBIS Translated Text] It was Malaysian Prime Minister Dr. Mahathir Mohamed who initiated the setting of up the East Asian Economic Caucus (EAEC) to group together countries of geographical proximity with economic similarities and common interests. There have been several such groups. One of them is the European Union, or EU, which has grown from a base of economic strength to become quite an influential organization, especially now that there is a conflict between Canada and Spain, an EU member, over fishing.

Although it is still unclear what the economic line of the EAEC will be like, the group seems to be adopting an independent line that contradicts the principle adopted by the U.S.-led Western countries, which want to see a market economy as the guideline and for all countries to follow free trade regulations and refrain from adopting trade protectionism or tariff barriers. The EAEC principle is different from the principle advocated by the United States at the APEC [Asia-Pacific Economic Cooperation], or AFTA [ASEAN Free Trade Area], or NAFTA [North America Free Trade Association] forums, the principle aimed at encouraging countries to observe the rule of GATT, the General Agreements on Tariffs and Trade, which wants to see an end to subsidies for production. However, this, in the eyes of the EAEC, should not apply to developing countries such as ASEAN members.

The EAEC wants support for farmers to continue—whether direct financial or material support, or through investment. For the EAEC, farmers in developing countries cannot survive without help from their governments. It believes that assistance from the government and private sector is still needed in poor countries. However, this principle of subsidies runs counter to the U.S. free trade principle. Some countries have disagreed with the EAEC, but it is uncertain on what basis.

According to a recent Kyodo report, Thailand has withdrawn an invitation to China, Japan, and South Korea to attend the ASEAN economic ministers' meeting scheduled to be held late this month in Phuket. The reason for this was because of a reluctance by the three to attend the meeting—they feared the meeting could be a starting point for the establishment of EAEC. Analysts said that the three nations feared that they might offend the United States by attending the conference, because there has been an attempt to snatch away from the United States the role of world economic leadership. Moreover, the grouping could pose as an obstacle to an implementation of the free trade system advocated by the United States.

We are not sure how accurate the analysts were, but we note that the United States was not very pleased with the role of Dr. Mahathir in Southeast Asia since his failure to attend the 1993 APEC meeting in Alaska because he disagreed with the concept of APEC. What should Thailand do in this case? As it happens, Thailand always had an obligation to welcome the establishment of economic groupings, be it APEC or AFTA. It was clear Thailand did not want to contradict the global movement led by the United States. On the EAEC, Thailand has not made clear whether it supported or disagreed with the group, and whether it would join the group or not. This could be interpreted as another of Thailand's diplomatic strategies, which has always wanted to see things clearly by using a wait-and-see tactic. In this connection, Thailand should have no worries about relations if any countries were to send or not send officials to attend the meeting.

Thailand should have no worries. Although it had been requested by the United States to check its financial institutions to see if any of them supported terrorism, Thailand never thought this amounted to an inquisition. This is unlike the accusation by TIME magazine that Malaysia supported terrorism, which constituted an indirect political act by the U.S. Government regarding Malaysia.

Exports to ASEAN Market Increase 33 Percent

BK1704045295 Bangkok BANGKOK POST in English 17 Apr 95 p 23

[FBIS Transcribed Text] Thailand's exports to the ASEAN market last year showed a dramatic 33.3 percent increase compared to other markets, where there was only sluggish growth.

ASEAN is expected to become a more important export market for Thailand this year. Revenue from exports to the six countries was 255,000 million baht, about a fifth of gross export revenues of 1.3 trillion baht.

The implementation of trading cooperation under the ASEAN Free Trade Agreement, which came into effect in the beginning of 1993 and provided a tax reduction scheme, has accelerated growth of trade volume in the region.

The Department of Business Economics is confident that the conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade will help open up the industrial and agricultural markets of Thailand's traditional trading partners—the United States the European Union countries, and Japan.

The figures released by the department show that Singapore was the most active export market for Thai products, with a 37.2 percent growth rate. The figure has made ASEAN the second largest market for Thai exports.

In the 1995 forecast, the USA is still the major market (270,000 million baht), as well as Japan (230,000 million baht), the EU (175,000 million baht), and other countries (364,500 million baht).

Computers, computer equipment and parts, integrated circuits, garments, video/audio and parts, and television were the predominant export products to ASEAN during 1994.

Total exports last year were the highest ever, rising to 1.13 trillion baht.

The figure showed a 20.4 percent rise over 1993's 940,803 million baht, while imports also showed significant growth to 1,364.2 billion baht, a 16.5 percent rise, causing the country's trade deficit to increase to 230,931 million baht.

Earlier the department forecast last year's export to grow at 14 percent, but the favourable world trading situation and the bright prospects for the country's major export markets together with severe drought prevailing in many producing countries were factors behind the increased rate.

The unfavourable climate has damaged many plantation areas of producing countries, causing exports of agricultural products to rise to more than 188,642 million baht or by 18.8 percent, a similar growth to agro-industrial products for which last year's revenue was registered at about 98,802 million baht.

Industrial products still predominated in the country's exports, which generated over 664,941 million baht of income in 1994.

Economic, Political State of East Asia Viewed

BK1704124795 Bangkok THE NATION in English 17 Apr 95 p A4

[Article by Thitinan Phongsuthirak, contributing editor, entitled: "The Insecure Environment of East Asia"]

[FBIS Transcribed Text] During the last decade or so, the rise of East Asia has perplexed observers worldwide. The East Asian region now accounts for 24 per cent of world GNP, roughly the same as the US, Canada and Mexico combined, compared to four per cent in 1960. At the same time, East Asia is the fastest growing region in the world, led by the four "dragons" (South Korea, Taiwan, Hong Kong, and Singapore) and budding ones like Malaysia and Thailand.

The nature of East Asian economic growth itself has been a subject of widespread fascination. Each of the East Asian economies has prospered through export-led growth, fuelled by foreign investment, which utilizes abundant and relatively cheap labour. East Asian growth has also been fostered by emphasis on hard work, education and filial loyalty among other values indigenous to the region.

The remarkable rise of East Asia has led some of the region's denizens to boast of a new era, of "Asia's time in the sun." The implication, according to a growing number of analysts, is that the world stage, which in the past used to be dominated by Europeans and Americans, will soon have to make way for East Asians. East Asian's time has come, in other words.

As East Asia gains more and more international spotlight, the countries of the region are becoming acutely aware of the lack of cooperation and integration among them, especially when they look elsewhere in the world to the deepening and widening integration processes in Europe and North America. East Asia does not have a concrete security or economic cooperation scheme of its own, although the region does form a large part of the Asia-Pacific Economic Cooperation [APEC].

Increasingly, the East Asian countries have seen a need to coalesce concretely to further their shared interests in regional security and economic prosperity. This is why, apart from Apec, there has been a proposal by Malaysia to form an East Asian Economic Caucus, whose membership would be exclusive to members of East Asia. At the same time, there has been an agreement to form a free trade area among the countries of the Association of Southeast Asian Nations (Asean) by the year 2003.

But while attempts at forging closer economic ties have witnessed limited though significant success, East Asia still has not been able to come up with a security arrangement to prevent and resolve future conflicts in the region. Not surprisingly, while East Asia's record of phenomenal economic development continues unabated, the region has been perceived as a fertile ground for conflict among its members.

The Spratly Islands in the South China Sea quickly come to mind. Claimants to the resources of the islands have included China, Vietnam, the Philippines, Taiwan, Brunei and Malaysia. These are countries whose economies have experienced sustained growth. Outright skirmishes have flared, principally between China and the other parties.

The conflicting claims of China and Vietnam, in particular, have raised concerns that a minor shootout in the South China Sea could have ramifications for the region at large. The North Korean nuclear issue could at any time become a flashpoint of instability in Northeast Asia. And if any conflict should break out on the Korean peninsula, it will likely spill over to Northeast Asia generally and broadly affect all countries in the entire Asia-Pacific region.

Both the roles of China and North Korea in the future security arrangement of East Asia are further complicated by each country's succession crisis. In North Korea, the passing of Kim Il-song transpired as anticipated with his son and chosen heir talking over the helm. However, it is far from clear that the domestic situation in Pyongyang is under the complete command of Kim Chong-il.

Any turbulence at the leadership level of North Korea could change Northeast Asia's regional equation and catapult the nuclear issue to the forefront again. Similarly, China is waiting for the much-anticipated passage of Deng Xiaoping. Post-Deng China poses a complex knot of uncertainties that have already alarmed a number of East Asian capitals. What happens to China will certainly have far- reaching consequences in the Asia-Pacific region.

Moreover, the longstanding tension between China and Taiwan is still a thorny, latent issue. Japan has recently involved itself in international peacekeeping operations, the country's budget having been raised, and its constitution has been considered for revision in order to permit military operations abroad. As a consequence of its World War II aggression, the potential rearmament of Japan has long been a concern to members of the region. In addition, domestic instabilities in Cambodia and Burma have been sore spots on the region's landscape. Analysts have feared that, given past domestic conflicts in Vietnam and Korea deteriorating into full-blown regional crises, instability in either Cambodia and/or Burma could become burdensome for other countries in the region, at least with regard to refugee problems.

Perhaps most alarming is an inchoate arms race that may arise from the region's various arms modernization programs. The potential arms race in Northeast and Southeast Asia would further be fanned by the region's successful economic development, which have allowed defence budgets to rise steadily. Meanwhile, advanced weaponry has become widely available following the collapse of the-Soviet union.

And in order to continue abreast with their stellar economic performance, most countries in East Asia, most notably Japan, need to have open sea lanes of communication for vital raw materials and energy resources. Any tampering with the sea lanes could also pose a threat to regional stability.

Maritime issues are also taking the front seat in a number of areas, including disagreements over finishing rights between Malaysia and Thailand. Most ominously, there are growing fears that China may turn its newly attained economic strength into military power.

In view of the foregoing trends, it is not surprising that Australia, whose geographical location lies at the periphery of East Asia, has decided to mark its main line of defence at its northern territory bordering East and Southeast Asia. Early warnings have also been issued by analysts in both Europe and the US. One analyst notes that in East Asia there is "an ample pool of festering grievances, with more potential for generating conflict than during the Cold War, when bipolarity helped stifle the escalation of parochial disputes."

Another scholar has made similar remarks to the effect that East Asia will be the "cockpit" of conflict in the near future. And prominent European security experts have suggested that "Asia is in danger of heading back to the future." Put another way, the catastrophic conflicts of Europe's past could be Asia's future.

Chaiwat Wibunsawat on Economic Growth, Policy

BK1604135395 Bangkok ZHONG HUA RIBAO in Chinese 14 Apr 95 p 9

[FBIS Translated Text] A senior central bank official has predicted that the Thai economy will continue to grow in the next five years.

During a seminar on "Economic Directions and Financial Policy," Chaiwat Wibunsawat, senior assistant governor of the Bank of Thailand, said that Thailand had achieved a fast and stable economic growth during the past 30 years because of the implementation of effective monetary and fiscal policies. The people's income has increased as a result of economic growth. However, there are some inflation and current account deficit problems.

Chaiwat said that according to the assessment by banking circles, the Thai economy could maintain an annual growth rate of 7.5 to 8 percent during the next five years. He said the government should pay attention to the development of infrastructure and human resources, distribution of wealth to rural areas, and savings mobilization.

Regarding the current account deficit problem, Chaiwat said we should look at whether the deficit is beneficial or nonbeneficial to the economy. Thailand's account deficit was caused by investment, not by spending in luxury goods.

Our economic policy will focus on distribution of wealth to rural areas and proper control of credit expansion, interest rates, and exchange rates.

Official Comments on Financial, Service Markets

BK1504112995 Bangkok BANGKOK POST in English 15 Apr 95 p 18

[FBIS Transcribed Text] Thailand is anticipating the conclusion in June of negotiations to open financial and other service markets in line with global trade agreements, according to Thirachai Phuwanatnaruban, director of financial institution supervision and development from the Bank of Thailand.

Mr Thirachai, who is on the Thai negotiating team, said that the atmosphere in bilateral talks between Thailand and the United States, the European Union, Switzerland and Australia has been better than in the previous round. The United States in particular is pleased with the Thai liberalisation proposals, he said.

Washington had earlier expressed dissatisfaction with Thailand's proposals for allowing foreign firms access to its services market. The US wanted foreign firms to be allowed to hold larger stakes in Thai financial institutions.

The Thai proposals states that foreign firms can hold shares of up to 25 percent in Thai banks and finance companies, and up to 49 percent in securities companies.

In the last round of negotiations in March, Thailand insisted on the essence of its previous offer list, although it also outlined its financial master plan, approved by the Cabinet recently.

The master plan sets out more concrete details of the country's intention to open its market, to the satisfaction of other countries involved in the talks .

However, the US asked Thailand to develop an offer list to be proposed at the next round of negotiations, by putting the substance of the master plan into an agreement to be signed in June.

Mr Thirachai said Thailand would consider the US request, but it must also keep in mind the intention and scope of other countries' market opening proposals.

In conversations with representatives of other developing countries, he said, it became clear that they shared a common view that the agreement being negotiated by Thailand would help guide their market opening negotiations.

Although developing countries want to see global liberalisation, they do not want developed countries to dictate the terms because they feel the developed nations would benefit disproportionately.

The market-opening negotiations in the service sector began after the conclusion of the Uruguay round of the General Agreement on Tariffs and Trade in April 1994, and must be signed by this coming June.

This agreement is to last for five years, after which World Trade Organisation [WTO] members will review it.

One of the key elements of the agreement will be the interpretation of Most Favoured Nation [MFN] status. Developed countries were not satisfied with the offers made by developing countries and threatened not to confer MFN status unless the offers were improved. They suggested using a reciprocal system instead, in which means one country can gain only as much access to another country's market as it allows to its own.

Mr Thirachai emphasised that Thailand is ready for all facets of service liberalisation, but clarification of MFN conditions would make for a better agreement.

Thailand wants to be a "good citizen" in the WTO membership by doing anything it can to improve the negotiating atmosphere between developed and developing countries, he said.

Right now, he observed, every country is playing a game. Each wants to get from the others more than it is willing to give. If the others do not open their markets, Thailand cannot open its markets any more because it will lose an edge and its financial sector will be subject to more intense competition .

He said Thailand will send its revised offer list to the service sector committee on May 8 and meet with the other countries after that.

Investors Told To Trust Basket of Currencies

BK1704045795 Bangkok BANGKOK POST in English 17 Apr 95 pp 21, 24

[FBIS Transcribed Text] Financial experts in both the government and private sectors say the local market should have faith in the basket of currencies that the Bank of Thailand currently uses to determine the value of the baht.

Foreign currency traders, who now control massive amounts of funds, interpret the financial situation according to their beliefs, Chaiwat Wibunsawat, senior assistant governor of the Bank of Thailand, told a recent seminar. They believe the dollar will nosedive further, prompting a huge oversupply of dollars on the market now, he said.

The currency market feeds on rumours, such as one about a possible baht devaluation or an adjustment in the basket of currencies, adopted 11 years ago, to give less weight to the dollar.

However, the central bank has insisted that the basket will not be touched.

It has been taking other variables into account more carefully lately in determining median exchange rates.

Some of these factors include formulas to compare movements among currencies, local trade volume of foreign exchange and the economic environment at a given period. All of these determinants have to be taken into account and influence the calculation.

But this does not mean the Bank of Thailand has changed the formula in calculating foreign-exchange rates, said Mr Chaiwat.

His contention was supported by Dr Chalongphop Susangkonkan of the Thailand Development and Research Institute and Dr Narongchai Akkharaseni, chief executive officer of GF Finance and Securities Plc.

Dr Narongchai said exchange rates tended to be determined by the financial sector, which engages in speculation rather than analysis based on economic fundamentals.

Dr Chalongphop added that the maintenance of foreign-exchange rates and the basket formula must be aimed at protecting long-term interests rather than short-term ones.

Changing the weighting of currencies in the basket just to calm short-sighted money traders could adversely affect the country's economy, he said.

Incentives Planned To Stop Brain Drain

BK1504102495 Bangkok BANGKOK POST in English 15 Apr 95 p 13

[FBIS Transcribed Text] The Government and private sector are actively courting Thai professionals in North America, Europe and Japan in an attempt to reverse the brain drain and hasten the development of high-technology industries in Thailand.

Officials hope a series of incentives—education subsidies, import tax exemption for their belongings and the right to hold dual citizenship—will lure highly qualified Thais back home.

The package was developed by a Government-appointed committee chaired by Science, Technology and Environment Deputy Minister Dr Pricha Musikun.

Dr Naksit Khuwatthanachai, the committee's secretary and deputy director of the National Science and Technology Development Agency, said the package would be submitted to the Cabinet soon.

He said the education subsidy would offer up to 3.5 million baht or 700,000 baht per year for holders of doctorate degrees wanting to return home and take up positions in the civil service.

Dr Naksit said the ministry aimed to attract 20 Thai professionals abroad to join Thai science and technology agencies by October. It hopes to raise this figure to 40 in the second year of the programme and to 60 in the third year.

The ministry has taken other measures as well. Since 1991 it has been persuading Thai professionals abroad to organise clubs to transfer their science and technology expertise to Thailand, and it has granted 800 scholarships to Thais to study science and technology overseas.

Every year, members of the Association of Thai Professionals in America and Canada (ATPAC), in Japan (ATPIJ) and in Europe (ATPER), and the Association of Thai Students in Science and Technology have attended conferences designed to pool their knowledge.

"The first phase of the ministry's scholarship programme placed priority on biotechnology, materials technology and electronics. The second phase, in which the ministry plans to grant 1,200 scholarships for Thais to study abroad, will focus on environmental science," said Dr Naksit.

The ministry has also been cooperating with Thai professionals' associations in the US and Canada, Japan and Europe to develop a database of overseas Thai professionals for corporations in Thailand that need capable scientists and engineers.

While the Government appears to be trying hard to design attractive incentive packages, Thai professionals say low civil-service salaries and red tape remain serious obstacles.

Dr Sin Anurat, who spent 27 years as a medical researcher and lecturer in American universities, said low government salaries led him to change his mind about working as a medical researcher at a public university.

The starting salary for a lecturer with a doctorate at a public university is 10,000-12,000 baht per month.

"So I decided to work at Bamrungrat Hospital, one of the most expensive private hospitals in Bangkok, for the past nine months," he said.

Asked why he had not returned home before, Dr Sin said: "If I had worked as a medical researcher and lecturer in a Thai university, I would not have been able to earn enough money to afford an education for my children."

Dr Sin, a former president of ATPAC and the Association of Thai Doctors in the United States, said about 800 Thai doctors had been working in the US.

A 1989 study by Thammasat University's Human Resource Institute, entitled "The Return of Thai Talent in the United States", estimated that at least 10,000 Thais could be considered high-level candidates for a reverse brain drain programme.

The research team, headed by Dr Chira Hongladarom, visited seven cities to interview 250 Thai professionals who said they would consider returning to Thailand if the Government could meet the following conditions:

1.Help with housing, either through low-interest loans or subsidies;
2.Adequate salary and welfare, considered to be about one-third of what they earned in the US;
3.Less nepotism, promotion based on ability and freedom of expression;
4.A special office to handle the needs of returning professionals;
5.More information on job opportunities in Thailand;
6.Facilities for children's education;
7.Tax subsidies for equipment used in their research;
8.Some subsidy for transportation and moving costs, and help with the initial costs of relocating to Thailand.

The private sector has been involved through ATPAC, organising the first Thai professionals' job fair in New York last October.

"At the fair, attended by about 600 Thai professionals only seven corporations from Thailand attended to recruit staff," said Chamnong Watkase, president of Siam Commercial Link Inc.

Siam Commercial Link, a subsidiary of Siam Commercial Bank, will co-sponsor a Thai professionals' job fair in Chicago on April 29.

At this fair, Thai corporate representatives will be joined by Dr Wichit Sisa-an, rector of Suranari Technology University and acting rector of Walailak University, state-owned schools that the Government has encouraged to manage as private universities.

Army Official Views Government Performance

BK1504131395 Bangkok THAILAND TIMES in English 15 Apr 95 p 1

[Report by Wiraphan Wutthipanya and Apinan Uttamangkaphong]

[FBIS Transcribed Text] Bangkok—Lieutenant General Surayut Chulanon, the Second Army Region Commander who is also known as "the academic authority of the military", said in an interview with THAILAND TIMES that Thai citizens are suffering in the border areas due to the inefficiency of government officials.

Also, he said wars in neighboring countries are having only a minimal effect on the Thais, and he admitted that the army is not ready to act as the principal force in the prevention of voting irregularities.

Lieutenant General Surayut, who is the commander in charge of the area which borders on the two neighboring countries of Laos and Cambodia, spoke about the military's role in the region and its duty in dealing with frontier crises but said that the problems arising from combat within neighboring countries are not severe. So far, the neighboring armies do not have any intention of making inroads into Thailand. Only aliens who care about their own personal gains very occasionally cross the border for the purpose of kidnapping.

"If foreign bullets come across the border, then we have to take some sort of action. This doesn't mean that we want to engage in war. But if foreign forces come onto on our lands, for the sake of our autonomy we'll have to push them back. It is necessary for the military to deal with confrontations."

The lieutenant general admitted that the forceful expulsion of aliens by the Thai army is a complex issue due to the fact that it might affect international business and politics. The situation cannot just be viewed from a single perspective. He said that expulsion is an act of the military. However, the Foreign Ministry must concern themselves with the economy and national relations. Meanwhile, the private sector and other agencies are also affected.

Surayut also expressed his sympathy for the troubled upcountry people who live too far away for the government to adequately administer their regions. For example, recently community farmers rallied to demonstrate because they had been driven out of a protected woodlands where they had been eking out a living for some 50 years. The charge brought against them was "Squatting on protected woodlands." The expelled people could not move however, because the government had not provided them with any new place to go, which resulted in some minor clashes. Other examples include the controversies over sterile cows, the Pak Mun dam, as well as the northeastern small-scale farmer assembly. These are matters that have been poorly administrated by seven or eight ministries, and inevitable problems always result. All responsible ministries should be aware of the problems and take steps to solve them.

"As it's been, the government didn't attend to the problems when they were just beginning. If they'd been taken care of at the time, they wouldn't have developed into the present state. They should conduct studies to find the causes of the problems and their sources so to promptly reach a solution. The protesters don't want violence, but they must speak up because the government has been ignoring them."

He added that administration process should be ameliorated. Otherwise, people will lose faith in the government. The situation should be improved immediately before Thai citizens lose all respect for their ruling body.

In reply to whether or not the army would ever be well-accepted by society, the lieutenant general said it depends on the army's future achievements.

During the recent past, some army personnel acted without regarding the opinions of their peers and superiors. It produced negative results.

He also said the army has not been working well with the public, because soldiers are used to discipline and expect people to think in the same rigid way. Soldiers should try to work more with the people. They should not give orders. Instead they should give advice.

In addition to the duty of defense, the army should concern themselves with issues of development, too. Surayut believes that defense and development can complement each other. Still, the army has difficulties accomplishing its goals due to restrictions. He said the army should be aware of the importance of improving the people's quality of life. When Thai people live better, Thailand will become more united. Foreign invasion will be impossible because Thai people will have developed a strong sense of pride in their home country.

"The army's present tasks are difficult enough. How can the army oversee elections as it doesn't possess experts in this field? The area in which the army could help could possibly be in keeping watch at the polling stations, but this wouldn't be of much use. I think it would be better to let an ad hoc organization oversee each and every election, like it was before. That way the people who know the details of local matters may participate, he said.

"And in regards to the issue of whether or not the current methods of preventing cheating during elections are effective, I think they only attempt to work at a later stage of the problem. My opinion about the matter is that efforts should be made to solve election corruption at its roots. If the fundamental basis of the political system was strong, there wouldn't be a need for cheating."

When asked about the navy's intention to purchase submarines, the lieutenant general said there are many gripes within the military about the government diverting the allocated budget to an education fund. However, the army accepts the government's decision since it has the difficult responsibility of being the nation's administrating body.

The government's priorities should be respected. Whenever the army has submitted a proposal to the government that was not accepted, the army tries to put forth its case again and then submits for approval in the following year's budget plan.

"The government's ranking executives ought to grant the chance for the military branches to clarify their positions, so both parties will be able to come to an understanding. The government ought to deal with conflicts when they are still in their incipient stages. Otherwise, they can develop into a political-level problems.

The army has the general policy to avoid disputes with the government whenever possible. The armed forces have the duty to support the government on whatever it decides. However, in any particular case the government is expected to justify the reasons for their decisions and why the armed forces must wait to receive the funds they want.

"Regarding the possible dispute that might arise between the government and armed forces, I believe that if the government exercises authority within the parliamentary system, then there shouldn't be any problem. What I ask is both parties adhere to the laws, and everything will proceed in a democratic way."

When asked if there might be any major changes in the army after Commander in Chief General Wimon Wongwanit retires late this year, he said the army would still conduct itself as always. General Wimon said that he would not engage in political activities after retirement.

In any case, General Wimon's successor is certain to be well qualified as the army's screening process is rigorous.

Navy Decides To Set Up Base in Phuket

BK1504113195 Bangkok BANGKOK POST in English 15 Apr 95 p 1

[FBIS Transcribed Text] The Navy has decided to set up its third regional naval base headquarters in Phuket instead of Phangnga as originally planned.

Navy Commander-in-Chief Prachet Siridet said yesterday the Navy has yet to choose a site for the base.

He said the Navy's policy committee is studying two locations—one at Laem Phanwa and the other at a place near the Public Relations Department's radio station—for the base which will be home to the naval fleet operating in the Andaman Sea.

He said the cost of setting up the base in Laem Phanwa, a hilly cape with a picturesque view southeast of the island resort, will require a much higher budget than originally planned because of its flat terrain.

The Navy chief said Phuket has more hilly terrains than other provinces. The Navy will have to look into the feasibility of the site before making a final decision, Adm Prachet said.

The Navy has shifted a higher number of vessels from the Gulf of Thailand to the Andaman Sea because of the decline in the security threat from Vietnam.

The operations of the Andaman force have focused mainly on protecting the national offshore economic interests rather than those in the national security field, he said.

No Changes Seen in Democrat Party Leadership

BK1604105095 Bangkok THE SUNDAY NATION in English 16 Apr 95 p Al

[FBIS Transcribed Text] The Democrat Party senior leadership is unchanged after yesterday's party elections which resulted in three new faces on the executive committee.

Finance Minister Tharin Nimmanhemin, Deputy Prime Minister Suphachai Phanitchaphak and Khunying Suphattra Matsadit, former MP for Nakhon Si Thammarat, were elected to the executive as expected.

Yesterday's elections were necessary because the old committee had completed its four-year term. Chuan Likphai was reelected party leader and Sanan Kachonprasat kept the position of secretary-general.

Other key positions, deputy leaders and deputy secretary-general, were also unchanged.

Party sources said Chuan, his deputy Banyat Banthatthan and secretary-general Sanan lobbied the members to vote for Tharin and Suphachai, who received 140 and 128 votes respectively.

The new 45-member executive committee will later elect a 15-member executive board.

At the end of the election. Chuan asked party members not to be worried about the sit-in protest by political activist Chalat Worachat. He had been asked if the veteran protester was justified in his attempt to force the government to resign.

Chalat has begun a sit-in outside Parliament and demanded that the government resign by May 25 to show responsibility over the mishandling of the land reform programme.

"The government runs the country in a democratic way. The people can do anything they want so long as they do not violate the law. But the law will be enforced if their actions are out of line," he said.

He said the government would not be allowed to stay in office if it could not justify itself. The government remained in power because it had the people's support.

However, there would always be people who were not happy with their government and different opinions were nothing unusual, he said.

"Democracy doesn't mean people can do as they want with no regard for anyone or anything else. Everyone must follow the rules.

"Chalat's protest is nothing new. He did it before, last year. This government strictly adheres to righteousness and principles and cannot be forced by threats into acts which would destabilize the country," he said.

Chuan said it was the duty of the government to ensure stability within a democratic system. Democracy would survive only if those in power did nothing to shake the public confidence in democracy.

"We don't expect all the mass media to agree with us. That's impossible. But we have to do our job with strong determination. The administrators must not do anything to upset the public's faith in democracy," he said.

Repeal of Law Banning Trade Unions Urged

BK1504131295 Bangkok THAILAND TIMES in English 15 Apr 95 p 4

[Editorial: "Trade Unions and Democracy"]

[FBIS Transcribed Text] In an effort to promote democracy that would guarantee basic human rights, social protection and the sustained well-being of workers, Thailand too, subscribes to the principles embodied in the Philadelphia Declaration and to other standards adopted at ILO (International Labor Organization) conferences on freedom of association, trade union rights, and equality.

Thailand and its ASEAN neighbors achieved a strategic victory in their stand against the introduction of social clauses to the international trade, at the ILO meeting in Geneva last year. Opposing views by Asean and Western countries on the issue, and amendments to the proposal tabled by both sides were mutually withdrawn for lack of a consensus on a compromise.

The truth of the situation is that nations have differing perceptions on democratization and many developing countries are finding it difficult to keep up, or comply with ILO standards. Especially, because they are based on the norms and values of the developed countries which may not be compatible with the cultural values and national aspiration of Asian developing countries like Thailand.

The question may also be asked whether it is feasible to apply ILO standards on the basis of equity when there is so much disparities in economic and social development and behavior between developed, and developing nations. It is this disparity which accounts for the diversity in global applications of ILO standards.

Thailand notably has devoted itself to developing the country and raising the standards of living of the people. Thailand is unique in that it is one of the few developing countries, which has within a span of two decades, succeeded in bringing about socioeconomic developments with immense benefits to the people.

This socioeconomic development achieved through pragmatic administration with liberal economic policies, has led to relatively strike-free industrial relations. Workers rights within the principles of democratization, was of course non-existent, although "the overall interest of national development has taken precedents". Nevertheless, the interest of workers and employers have been taken into account along with@the rights of others in society at large.

It's the government's responsibility to ensure that social legislation enacted should not only guarantee benefits for the Bangkok based work force, but extended to provincial and rural areas as well. This is in line with the broad principles of democratization and the ILO standards.

Another question arises, if development policies enriched urban industrialists, bankers, traders, and other professionals and these constituents could organize themselves formally into interest groups, trade and professional associations. Why not trade and workers unions? Why are these suppressed?

As for organized labor, the politically strongest groups until they were disbanded by the now defunct National Peace Keeping Council (NPKC) were the state enterprise unions; the only thing near to an organized trade union in the Kingdom. It worked to the advantage only of the state enterprises workers, put pressure on the state-sector wages at the expense of the tax-payer. In the private sector, such trade union activities were not encouraged and have remained non-existent.

With the restrictions on any workers' activities and collective demands, it becomes incumbent on the New Ministry of Labor to initiate and provide important guidelines and periodically review a coherent national policy—NOT on an AD HOC basis, as have been in almost every disastrous accidents, and loss of workers' life. This must be addressed anew to meet the growing demands of development and change in a modern industrialized society. The government should also seriously consider repealing "The Edict" disbanding organized labor union in the country.

The only way the government could show its sincerity and commitment to democracy and the workers of this country is to repeal the enactment by the now-defunct NPKC. If the present government could do away with other decrees such as the "Unusually Rich Politicians" order. Why not "Trade Unions"?

Vietnam

McNamara's Memoirs About Vietnam War Reviewed

BK1404151595 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Apr 95

[FBIS Translated Text] Dear friends: On the occasion of the 20th anniversary of the end of the Vietnam war, former U.S. Defense Secretary McNamara, who is often regarded as a key U.S. strategist in that war, has advertised in various U.S. newspapers the contents of his soon-to-be-published memoirs entitled *In Retrospect: The Tragedy and Lessons of Vietnam*, in which he admitted that the U.S. involvement in the Vietnam war was a tragic mistake. Western news media report that McNamara, one of the highest-ranking former U.S. official, has made this unprecedented serious observation about U.S. involvement in the Vietnam War.

In a recent issue, QUAN DOI NHAN DAN carried an article on this matter, which reads as follows:

Speaking over the U.S. radio on 9 April, McNamara said: We of the Kennedy and Johnson administrations acted according to what we thought were the principles and traditions of our country, but we were wrong. We were terribly wrong. Our military and civilian leaders were totally wrong, for they were unaware of the nature of the conflict and failed to promptly realize that the strategy we pursued would never be able to achieve its goals.

This observation by McNamara is of particular significance because he was one of the brightest personalities of the Kennedy and Johnson administrations. He was a prominent member of a contingent of advisers who were regarded as the best and brightest ever found in any U.S. administration. McNamara served as U.S. defense secretary from 1961-68. The Vietnam war is commonly known as McNamara's war.

A notorious hawkish personality, McNamara was the one who persuaded the Kennedy and Johnson administrations to escalate the Vietnam war. He was also the one who played the key role in drawing up U.S. strategy during the junctures that decided the intensification of U.S. involvement in the Vietnam war.

In his memoirs, McNamara stressed: We, the officials of the Kennedy and Johnson administrations who participated in policy-making decisions on Vietnam, were terribly wrong. We feel dutybound to explain this fact to younger generations. He pointed out: We failed to analyze various assumptions in a careful and stern fashion. We did not stop to look around for a better approach.

McNamara said: North Vietnam made a very specific peace offer in 1966, but U.S. bombing raids caused this opportunity to vanish. Johnson feared that rescheduling the bombing raids against North Vietnam would be interpreted as a sign of weakness.

According to McNamara, U.S. officials in the Kennedy era knew little about Indochina when they began developing policies on Vietnam. He believes that the reason for his mistake is that he never visited Indochina. He did not have any knowledge of or correctly evaluate the history, language, culture, or values of that region.

McNamara pointed out that this is also true of all other high-ranking advisers to the then U.S. administrations.

He also emphasized that even worse, the U.S. administration at that time did not have any reliable experts with whom it could consult to compensate for the lack of knowledge about that region. He said: It is an unbelievable fact that the U.S. administrations at that time failed to appropriately examine the cost to be paid politically, militarily, financially, and in terms of human lives for the expansion of involvement in the Vietnam war.

McNamara admitted that the Kennedy and Johnson administrations' decision to involve the United States in the Vietnam war was based on the domino theory, which advocates that a collapse of the U.S.-backed South Vietnamese administration would pose a threat to U.S. security, the West, and their Southeast Asian allies. He said: President Johnson sought advice from former President Eisenhower in a 17 February 1965 meeting on the handling of an aerial war against North Vietnam. Eisenhower counselled that Johnson's first duty was to contain communism in Southeast Asia at all cost even if it meant threatening nuclear war. Even worse, a U.S. official at that time believed that it would only need eight U.S. divisions for the United States to prevent South Vietnam from collapsing.

According to McNamara, in a secrete report written in 1967, a leading CIA official pointed out the errors of the U.S. war doctrine and expressed the belief that the United States could pull out its troops from Vietnam without jeopardizing the security of the United States and the West.

McNamara said he was very regretful at not having been able to persuade Johnson to look into appropriate military and diplomatic measures to end the Vietnam war. Many experts also believed that McNamara should have tried harder to withdraw the U.S. troops from the war. This is because McNamara himself also officially observed that the United States and the then Saigon administration did not have the capability to defeat Hanoi forces.

In reality, McNamara urged Johnson to find a negotiable solution to the war. However, for this reason he was compelled to resign from his U.S. defense portfolio in 1968. This former U.S. defense secretary believed that had President Kennedy been still alive, he would have withdrawn U.S. troops from Vietnam, thus avoiding a terrible cost to be paid in blood. McNamara wrote: Had Kennedy still been alive, he would have pulled us out of Vietnam, and he would have concluded that South Vietnam was unable to defend itself.

McNamara believed that had Kennedy been still alive, he would have agreed that U.S. troop withdrawals from Vietnam would cause a domino-like collapse. However, if U.S. troops remained there, this would lead to a similar end but with a more terrible cost to be paid in blood. The introduction of U.S. military equipment and military advisers to South Vietnam occurred after Kennedy took office in 1961. However, the sending of U.S. ground forces to directly engage in combat activities only began under the leadership of President Johnson, who became the White House boss following Kennedy's assassination. It was not until 1975—12 years after Kennedy's murder—that the Vietnam war ended after 58,000 U.S. troops and over 1 million Vietnamese were killed.

Continued Cooperation on MIA Issue Affirmed

BK1404153595 Hanoi VNA in English 1405 GMT 14 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 14—Prime Minister Vo Van Kiet has affirmed that Vietnam is prepared to create favourable conditions for all American organizations and individuals interested in the MIA issue as well as the benefi of both countries to come to Vietnam for fact finding aimed at making contributions to solving the MIA issue and normalizing the two countries' relations.

Vo Van Kiet also assured a visiting delegation of the National Security Committee of the US House of Representatives led by its Chairman Floyd Spence of Vietnam's constant policy to expand its positive cooperation with the United States in the search for Americans missing in action, which has recorded encouraging achievements over the past years.

The Vietnamese leader again reiterated that Vietnam's policy is aimed to promoting the friendly and cooperative relations between the two countries and step by step achieving full normalization of its relationship with the United States, thus contributing to preserving peace, stability and development in Southeast Asia and the Pacific.

For his part, Chairman Floyd Spence expressed thanks to the Vietnamese Government for its efforts in cooperating with and assisting all American organizations in Vietnam, especially in the MIA issue. He also pledged that when back home he would report all he has heard and seen in Vietnam to the US Congress with a view to helping to accelerate early normalization of the ties between the US and Vietnam.

Further on Do Muoi Activities in South Korea

Visits Kwangju City

BK1504161795 Hanoi VNA in English 1232 GMT 15 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 15.—Party General Secretary Do Muoi and his party on April 13 arrived in the former imperial city of Kwangju , capital of Kyongsan Bak Province. In the evening they were given banquet by President of Hyundai Group Mr. Chon So-yong. In his welcoming speech, Mr. Chon said that Hyundai has paid close attention to Vietnam's renovation policy and found ways to take part in the economic development in Vietnam, particularly in the areas of car manufacture, construction and energy . Now it is intending to invest in the construction of infrastructure facilities, the exploitation of natural resources in Vietnam. In the reply, General Secretary Do Muoi welcomed Hyundai as one of the industrial groups who had closely cooperated with Vietnam. He appreciated the construction of a gas pipe system in Vung Tau undertaken by Hyundai. In April 14 morning, the party leader and his party called on the national Buddhist pagoda built in the 8th century. The Vietnamese guests also visited a traditional craft village on the outskirts of Kwangju and a motor car company and a heavy industry company of Hyundai Group in Ulsan (100 km south of Kwangju). In the afternoon, the Vietnamese guests called on the Pohang steel rolling mill and a motor manufacture enterprise of Posco Group. The party leader spoke of the prospect for bilateral cooperation in the making of steel. On the way back to Kwangju , Mr. Muoi and his entourage stopped over in an ancient village which has existed for more than 600 years and is recognized as a traditional cultural relic of Korea. In the evening, the president of Daewoo group gave a banquet in honour of the Vietnamese guests.

Observes Production Facilities

BK1704083095 Hanoi VNA in English 0553 GMT 17 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 16—Party General Secretary Do Muoi today paid a visit to production establishments of the L.G. Group at Yo Chon Peninsula, South Chola Province. President Ku Pon-mu of the group informed Mr. Muoi of the L.G's development strategy and its investment and cooperation plan in Vietnam. L.G has been successful in its cooperation with Vietnamese partners in the areas of telecommunications and electronics and is to participate in building the construction of a big oil refinery in Vietnam. On this occasion, President Ku Pon-mu handed over to Mr. Muoi a token of L.G's gift to the teachers and students of Vietnam. The gift includes 100 computers. General Secretary Do Muoi and his entourage visited Cheju Island in the southern part of the South Korea this afternoon. Mr. Muoi met this evening with Mr. Ku Cha-hak, vice president of the L.G. and president of ROK- Vietnam Friendship Association. He was pleased with the results of his visit and appreciated Mr. Ku Cha-hak's contributions to the promotion of the friendship between the two peoples.

Interviewed on Spratlys, U.S. Ties

BK1704070095 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 16 Apr 95

[Report on YONHAP interview with Vietnamese Communist Party General Secretary Do Muoi "prior to the conclusion of his visit to South Korea;" place and date not given—read by announcer]

[FBIS Translated Text] Asked about the relations between Vietnam and South Korea, Comrade Do Muoi said: Despite the fact that there was an unhappy time in the past, the Communist Party, government, and people of Vietnam, with a policy to close the past and look forward to the future, have resolved to build a new relationship in the spirit of respecting each other's independence and sovereignty and achieving equitable and mutually-beneficial cooperation.

As both countries are located in East Asia and have many similar points historically and culturally, they have easily archived mutual understanding. The two countries have conditions to supplement each other in economic development to achieve prosperity for both sides. Therefore, although their bilateral relations have just been established two years ago, they have developed rapidly. South Korea has attained a relatively high level of economic, scientific, and technological development. It has great capabilities in capital, technology, and development and managerial experience. Meanwhile, Vietnam enjoys abundant labor, diverse natural resources, and vast sea areas. To integrate the above factors in a way beneficial to both countries, Vietnam hopes that South Korea will invest and cooperate in all areas of the economy such as metallurgy, machinery, shipbuilding, electronics, chemicals, construction materials, and energy.

As for the issue of nuclear electric power, Vietnam also needs nuclear-powered electricity for national industrialization. South Korea and some other countries have expressed their willingness to help Vietnam build a nuclear-powered electric plants. Experts of the two countries can soon study the potential of their cooperation in this field.

Asked about his impression of this visit to South Korea, Comrade Do Muoi said: This was my first visit to South Korea. The visit has left me with beautiful memories. During my talks and meetings with the president, the ruling Democratic Liberal Party, political circles, social organizations, and various trading groups and companies of South Korea, they all expressed their friendly and cooperative sentiments toward the Vietnamese people and the hope that relations between the two countries would further develop. This made us very happy. We also saw with our own eyes the many miraculous achievements of the South Korean people. In only 30 years, they have been able to turn a small, densely-populated country devoid of natural resources into a country with a modern economy and with many renowned companies and highly competitive goods in the world market. This reflects the will to learn of the South Korean people and their the diligence, frugality, and creativity. This is also the results of their developmental policy suitable to specific conditions of the country and the international situation.

Finally, in reply to a question about the renovation process in our party's and state's domestic and foreign policies, Comrade General Secretary Do Muoi said:

Over the past years, we have carried out the renovation process aimed at liberalizing our production force, exploiting all sources of potentials available to build the country, and achieving the goal of making the people prosperous, the country powerful, and the society equitable and civilized. As this policy conforms to the people's aspirations and the world's developmental trend, it has achieve initial, yet very important results.

From now until the year 2000, by developing what has been achieved in the renovation process, we will have to further step up industrialization aimed at attaining and even exceeding those targets of our socioeconomic strategy which call for bailing our people out of the current crisis, stabilizing the socioeconomic situation, overcoming the state of being a poor and less-developed country, improving the people's livelihood, consolidating national defense and security, and creating conditions for rapid national growth by the early 21st century, trying to increase the gross domestic product by 2-2.5 times over that in 1990 with the average annual industrial output being up by 13-15 percent, thus increasing the industrial output in the GDP [gross domestic product] to approximately 30 percent by the year 2000.

The world is undergoing profound and complex changes, and this has brought nations many new opportunities and new challenges. Faced with such a situation, our consistent policy is that Vietnam wants to befriend all countries in the world community, striving for peace, independence, and development in the principles of respect for each other's independence, sovereignty, and territorial integrity, noninterference in each another's domestic affairs, resolution of disputes and disagreements through peaceful negotiations, non-use of force or threats to use force, and equitable and mutually-beneficial cooperation.

We attach great importance to developing our relations with other countries in the Asia-Pacific region, hoping that countries in the region will join efforts to turn the Asia-Pacific region into a zone of peace, stability, cooperation, and prosperity. Vietnam is ready to participate in bilateral and multilateral dialogues between countries in the region in order to achieve that goal.

Over the years, our relations with ASEAN countries have developed vigorously and rapidly. It is unanimously agreed by the ASEAN countries that Vietnam will be granted full ASEAN membership by July 1995.

We advocate participating in the growth of the region and the world. That is why we are preparing to join the World Trade Organization and once favorable conditions permit, we will join APEC [Asia-Pacific Economic Cooperation Forum].

As for the issue of the East Sea [South China Sea], we have on several occasions reaffirmed that the Paracels and Spratlys are Vietnamese territories. As there are disputes among some countries over this, we advocate that while actively continuing negotiations to find out a fundamental and long-term solution to the issue, all the parties concerned must maintain stability on the basis of respecting the status quo and exercising self-restraint from doing anything that may complicate the situation as was recently the case with the Mischief Reef, and from the use of force or threats to use force and must jointly seek suitable cooperation in those areas and those domains and under those forms acceptable to all parties concerned.

We support the ASEAN countries' 18 March 1995 Singapore declaration on the above issue.

Vietnam is keen to monitor the Korean peninsula, supports the Korean people's aspirations for peaceful reunification of their country and for keeping Korea peninsula a nuclear-free zone, welcomes the recent progress made in this respect, and hopes that those parties concerned will resolve their outstanding issues through peaceful negotiations on the basis of respect for national sovereignty and international law.

We attach importance to and will strive to strengthen our relations with China, a big neighboring country. Regarding a number of outstanding issues between the two countries, especially the issue of territorial border and those problems relating to the East Sea, we advocate persisting on negotiations to resolve them based on the above principles.

Our relations with the United States have shown some new improvements beneficial to both countries and to peace, stability, and cooperation in the region. Since the United States lifted its embargo against Vietnam in February 1994, the economic and trade relations between the two countries have begun to develop. We believe that it is time for Vietnam and the United States to promptly establish their normal diplomatic relations and their full economic and trade relations.

Our relations with India, Japan, and countries in the European Union, and with Australia and Canada have continued to be strengthened, especially in the economic, trade, and investment fields. We will continue to strive to develop our economic and trade relations with the Russian Federation and the former Soviet republics as well as with East European countries under a new form and in accordance with a new structure. Our relations with Cuba, Latin American countries, Africa, and the Middle East have also developed favorably.

In conclusion, our diplomatic relations have been expanded remarkably. This demonstrates that our diplomatic policy is correct. We will continue to persistently pursue this policy.

Secretary General Do Muoi Arrives in Japan

BK1704124195 Hanoi Voice of Vietnam in English 1000 GMT 17 Apr 95

[FBIS Transcribed Text] Vietnamese leader Do Muoi arrived in Tokyo Monday [17 April] for a five-day visit aimed at obtaining more economic aid and getting Japanese advice on how to ease the difficult transition to the market economy.

The Vietnamese party general secretary, accanied by Foreign Minister Nguyen Manh Cam, was scheduled to hold talks with Prime Minister Tomiichi Murayama on Tuesday and call on Emperor Akihito Wednesday.

The Vietnamese party leader was scheduled to visit the factory of Nissan Motor Corporation Limited, Japan's second largest auto maker, and electronic giant NEC Corporation right after his arrival. On Wednesday, he is to meet with 150 Japanese business leaders and economic officials. He will visit Okayama and Osaka in Western Japan before leaving Japan Friday.

Earlier, the Vietnamese party leader concluded his official visit to South Korea. Before leaving South Korea on Sunday, he visited production establishments of the LG [Lucky Goldstar] Group on the Yo Chan peninsula. The LG president Ku Pon-mu informed Mr. Do Muoi of his company's strategy and its investment and cooperation plan for Vietnam. LG has been successful in its cooperation with Vietnamese partner in telecommunications and electronics and is to participate in the construction of a major oil refinery in Vietnam. President Ku Pon-mu of LG also handed over to Mr. Do Muoi a gift to teachers and students of Vietnam. The gift included 100 computers.

NHAN DAN Praises Relations With Japan

BK1704080295 Hanoi VNA in English 0649 GMT 17 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 17—The Communist Party newspaper, NHAN DAN, describes party General Secretary Do Muoi's visit to Japan beginning today as an important event in bilateral relations which, it notes, 'will be vigorously boosted to match the huge potential of the two countries'.

In related editorial, the national daily says that Vietnam and Japan both desire a deepening of their bilateral ties in all areas on the basis of equality and mutual benefits, and for the development of each country.

'Japan is Vietnam's biggest trading partner. The two-way trade has grown rapidly : 910 million USD in 1991, 1,390 million USD in 1992, 1.8 billion in 1993 and over two billion USD in 1994. Japan is also its top aid donor (Official Development Aid), providing about 380 million USD in 1992, 476 million USD in 1993 and over 600 million USD as estimated for the 1994 fiscal year', the paper says.

'However,' the paper notes, 'Japan's direct investment in Vietnam stands at the modest level. By the end of 1994, Japan had 73 projects with a total capital of 790 million USD, making it fifth largest investor'.

The paper expresses firm belief that the visit will be a success, helping to promote the Vietnamese-Japanese relations to a higher level and larger scope.

Premier Orders Preparations for Joining ASEAN

BK1604104895 Hanoi VIETNAM INVESTMENT REVIEW in English 27 Mar-2 Apr 95 p 4

[Report by Cong Thanh]

[FBIS Transcribed Text] A new committee has been set up to guide Vietnam's approach to membership of the Association of Southeast Asian Nations (ASEAN) in July.

Premier Vo Van Kiet has ordered ministries to set up units to prepare for the link-up and assigned the Ministry of Foreign Affairs (MoFA) to coordinate with the Ministry of Finance and Ministry of Agriculture and Food Industry to implement Vietnam's contribution to ASEAN funds.

Efforts will be overseen by the Government Office.

The MoFA will act as the liaison body for Vietnam's foreign contacts with ASEAN; the State Planning Committee will manage Vietnamese organizations' participation in cooperation programs and projects among ASEAN countries; the Commerce Ministry will control Vietnam's participation in senior economic meetings and coordinate with the Finance Ministry (including the General Department of Tax) to prepare procedures for Vietnam to participate in ASEAN's free trade area.

The MoFA last week held a two-day workshop to introduce ASEAN to more than 100 cadres and experts belonging to over 50 ministries, central branches, and officials from Hanoi and Ho Chi Minh City.

Do Ngoc Son, director of the ASEAN Department under the MoFA said Vietnam's largest difficulty was a lack of specialist English skills among of officials. English is the working language adopted by ASEAN.

From now to 1997, the MoFA plans to send about 100 cadres overseas for English training.

PRC Lieutenant General Arrives for Visit

BK1604151595 Hanoi VNA in English 1445 GMT 16 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 16—Lieutenant General Zhang Wannian, member of the Central Military Committee and chief of the General Staff of the People's Liberation Army of China arrived here this afternoon for a friendship visit.

He was welcomed by Lieutenant General Dao Dinh Luyen, deputy defence minister and chief of the General Staff of the Vietnam People's Army, and other high-ranking officers. Chinese Ambassador to Vietnam Zhang Qing was present at the welcoming ceremony.

Lt. Gen. Dao Dinh Luyen later received the Chinese delegation. He highly valued the significance of the visit and expressed his belief that it would contribute to the promotion of the long-term friendship between the two peoples and armies of peace, stability and prosperity of each country and in the region.

Mr. Luyen gave a banquet this evening in honour of the Chinese guests.

Joint Fisheries Commission With Russia Meets

BK1704083695 Hanoi VNA in English 0553 GMT 17 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 16—The Vietnam- Russia Joint Commission for Fisheries has been meeting here from April 12, in furtherance of an agreement on cooperation in fisheries signed during Prime Minister Vo Van Kiet's official visit to the Russian Federation in June, 1994.

The meeting was attended among others, by vice president of the Russian Committee for Fisheries, Mr. V.M. Sosno and Vietnamese deputy minister of maritime products, Mr. Vo Van Trac.

The two sides reviewed their cooperation in fisheries in the past time and agreed to establish the ties between Vietnam's Fisheries Association and Russian Federation's Association of Fishery Enterprises, Businesses and Export.

They signed an agreement on cooperation in fisheries here this morning.

While here, the Russian delegation was received by Minister of Maritime Products Mr. Nguyen Tan Trinh and visited some establishments and Institutes of Scientific Research in Fisheries in Hanoi, Haiphong, Ho Chi Minh and other localities.

The two sides agreed to hold the second session in Russia in the third quarter of 1996.

Commentary Previews Australian Governor's Visit

BK1504102695 Hanoi Voice of Vietnam in English 1000 GMT 13 Apr 95

[FBIS Transcribed Text] Australian Governor General Bill Hayden will arrive in Hanoi next Monday for a week-long official visit to Vietnam. Our radio editor reviews Vietnam-Australian relations.

Vietnam and Australia has had diplomatic relations since 1973, but it was not until 1993 the two countries exchanged high level visits, starting with Vietnamese Prime Minister Vo Van Kiet's visit to Australia in 1993, and Australian Prime Minister Paul Keating's visit to Vietnam in April last year. These visits together with the coming visit by Governor General Hayden are important turning point in bilateral relations.

Australia was the first country to lift the trade embargo and to resume development aid of 85 million dollars to Vietnam in 1992-95 period. In mid-1993, Australia again provided Vietnam with 4.5 million dollars as scholarships to Vietnamese students. Since 1993, through the Australian International Development Assistance Bureau or AIDAB, the Australian Government has given 550 scholarships so far to Vietnamese students. The two governments have signed many agreements on economic, trade cooperation, and on investment encouragement and avoidance of double taxation. And they have also set up a joint Vietnam-Australia Economic Commission. Both countries have also established the Vietnam-Australia business counselling. In 1994, two-way trade turnover between the two countries was 400 million dollars. In investment, Australia is the fourth largest investor in Vietnam with 26 projects worth 800 million dollars.

During their meetings with Vietnamese leaders, Australian leaders highly valued achievement recorded by Vietnam in its renovation process, particularly its open-door diplomatic policy to befriend all countries. Prime Minister Keating affirmed during his visit to Vietnam that his country would further promote multifaceted relations with Vietnam. The coming visit by Governor General Bill Hayden will contribute to strengthening Vietnam-Australia relations.

Australia's Hayden Arrives 17 Apr

BK1704154295 Hanoi Voice of Vietnam in English 1000 GMT 17 Apr 95

[FBIS Transcribed Text] Australian Governor General Bill Hayden arrived in Hanoi Monday [17 April] on a five-day official visit to Vietnam. Bill Hayden, guest of President Le Duc Anh, is the first governor general of Australia to visit Vietnam since the two countries established diplomatic relations in 1973.

Ties between the two countries have developed remarkably since Prime Minister Vo Van Kiet's Australian visit in May 1993 which was reciprocated by a visit from Australian Prime Minister Paul Keating in April last year.

The two countries have signed agreements on trade promotion, investment protection, and avoidance of double taxation while Australia is providing assistance to a series of development projects. Australia is now the sixth largest foreign investors in Vietnam with $649 million committed in 40 projects by the end of last year. Two-way trade totalled $32.3 million in 1994.

German Mission's Visit Focuses on Economic Ties

BK1404131595 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 13 Apr 95

[Unattributed report]

[FBIS Translated Excerpt] [Passage omitted on the history of Vietnam-Germany relations] In 1995, economic cooperation activities between Vietnam and Germany have been consistently promoted. One of the important events marking new progress in this sphere was the recent visit to Vietnam on 6-9 April by the German economic delegation led by Minister of Economics Dr. Guenter Rexrodt. Accompanying him on the trip were 30 businessmen from different German economic sectors. During its visit, the German Government economic delegation exchanged views with the Vietnamese Government on expanding bilateral economic relations and increasing German investment in Vietnam.

Appraising the significance of the German delegation's working visit, Vietnamese Trade Minister Le Van Triet said:

[Begin Le Van Triet recording] This is the first economic delegation from Germany to visit Vietnam. It demonstrates the German Government's policy toward the Asia-Pacific region. We highly appraise this visit, and we wish to assert that the working session between the Vietnamese and German economic delegations was very successful. We have fully appraised bilateral relations, defined orientations for further development, and formulated measures for cooperation to open up a new stage for developing bilateral cooperation. [end recording]

During the German economic delegation's visit, Vietnam and Germany signed four agreements, under which the German industrial company CPK [expansion unknown] will provide the Vietnamese railway sector with nine carriages for special purposes and 53 cargo carriages; the (Ratenma) company will provide the Vietnamese engineering equipment factory no. 1 with research equipment; a major industrial company in Hamburg will provide Vietnam with research equipment for glass and porcelain products; and the (Fulpan) company will provide facilities for the establishment of a car industry in Vietnam in the future. The two sides also discussed measures to resolve obstacles in bilateral economic and trade relations; formulated orientations for the days ahead to set up the Vietnamese-German forum to let businessmen from both countries exchange experiences on management, production, and business; and designed tasks to accelerate the signing of key agreements already initialed by the two sides, such as the agreements on investment protection, on double taxation avoidance, and on air transportation and so forth.

At a news conference with Vietnamese and foreign reporters in Hanoi, Mr. Guenter Rexrodt said:

[Begin Rexrodt recording, in German, fading into Vietnamese translation] I am very pleased to note that, in my meetings with the Vietnamese prime minister and other ministers, all have asserted Vietnam's wishes to have long-term cooperation with Germany. We have attained concrete results in our talks with the Vietnamese leaders. We have taken note of cooperation plans between the two sides in the future. As a result, in the days ahead, our tasks are very important, especially efforts to strengthen bilateral relations and to carry out key projects, through which trade exchanges between the two countries will be increased considerably. [end recording]

As mentioned by the German economic minister, Vietnam's intention to expand economic cooperation with Germany in particular and with other countries in general is still Vietnam's key economic policy. In this context, both Vietnam and Germany are making great efforts to attain satisfactory results in their economic relations.

Minister Interviewed on Visit

BK1504134095 Hanoi Voice of Vietnam in English 1000 GMT 14 Apr 95

[FBIS Transcribed Text] German economic minister, Dr. Guenter Rexrodt, has ended his first trip to Vietnam. Before leaving for home, the German minister granted an interview to the newspaper LABOR. Following are excerpts from the interview:

Minister Rexrodt said his delegation's today visit to Vietnam was successful. The frank discussions between the delegation and Prime Minister Vo Van Kiet and leaders of the commercial and industrial sectors led to a number of projects of bilateral cooperation in various fields.

The delegation comprised 30 big businessmen, including the vice chairman of the Pacific Economic Commission. This was a trade (?hop) to decide projects in cooperation with Vietnam. What Germany would like to manifest from this trip was important for Vietnam in its policy toward Asia-Pacific and at the same time, the interests of German businesses in Vietnam's potential market.

Agreements which, during the trip, include the organization of the Vietnam-German Economic Forum, creating opportunities for exchange of views and share of experiences. Germany will set up a representative office in Vietnam for trade information and turn it into [as heard] economic representative office in Vietnam into a joint bureau. [Words indistinct] credit will also be strengthened. Germany will soon ratify the agreements initially signed on aviation, protection of investments, and avoidance of double taxation.

The country will also discuss another 45 proposals for joint ventures such as the one for Volkswagen company valued at $2 million, the project to set up a specialized economic center by European Community or by the Federal Republic of Germany in Vietnam and projects on shipbuilding and textile products.

It was encouraging that on this trip, Germany companies agreed to upgrade 50 wagons for Vietnam Railway Union, supply equipment for a research institute of the Machine Tool Factory No. 1 and equipment for a glassware manufacturing factory.

Germany will also send a leading expert to Vietnam to rectify shortcomings of Vietnam's economic law and to readjust the law on trade, foreign trade, quota distribution, license issuing, tax policy, and the protection of copyrights.

Development Cooperation With Denmark Promoted

BK1504161995 Hanoi VNA in English 1243 GMT 15 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 15—The first annual conference on the programme of development cooperation between Vietnam and Denmark has been held here recently.

The conference was attended by among other Ambassador (Ellen Margether Loej) deputy minister of state for external affairs of Denmark and Mr. Vo Hong Phuc vice chairman of the State Planning Committee of Vietnam. [sentence as received]

The two sides exchanged views on experiences obtained during the process of cooperation between Vietnam and Denmark in the past time and worked out the programmes of cooperation for the coming years. They also discussed issues of common concern.

While here, the Danish delegation was received by Deputy Prime Minister Tran Duc Luong.

Since 1993, the Danish Government has listed Vietnam as a preferential country in its programme of development cooperation and annual non-refundable aid. It granted Vietnam USD 20 million in 1994 for the programme and will grant USD 45 million in 1998.

Premier Takes Measures To Contain Inflation

BK1604105195 Hanoi VIETNAM INVESTMENT REVIEW in English 27 Mar-2 Apr 95 p 3

[FBIS Transcribed Text] Prime Minister Vo Van Kiet last week threw the weight of his office against runaway prices of food and foodstuffs in an attempt to hold 1995 inflation to the IO percent yearend figure targeted by Vietnam's National Assembly.

Premier Kiet ordered the Ministry of Agriculture and Foodstuffs Industry (MoAFI) to store food for the coming crop harvest interval. In the past, shortages between harvests have propelled food prices skywards.

The MoAFI commanded the General Food Company, under its authority, to transport 1,500,000 tonnes of rice to northern provinces to offset seasonal deficiencies.

All food companies in the south have to buy 600,000 tonnes to reserve for later use and export.

The State Reserve Bureau has to buy 100,000 tonnes of rice for the reserve to be available to the northern mountain provinces and the central coastal regions usually hard hit between harvests.

The six-month interest rate for loans to buy rice will be partly supported by the Price Stabilization Fund, according to Kiet's decree.

The head of the Government Pricing Committee is entitled to set up bodies to curtail the illegal border trade of food and foodstuffs. Smugglers will be prosecuted through the Customs General Department.

The Ministry of Trade (MoT) must promptly issue licenses to import coarse and granulated sugar as planned.

The loans to import 10,000 tonnes of granulated sugar will be supported by the Price Stabilization Fund. In accordance with Kiet's demands, the Ministry of Finance has to issue import licenses for other items to maintain a balance of cash and goods in the country.

The State offers continual tax exemptions for food and foodstuffs transported into big cities and densely-populated areas.

Premier Presides Over Environmental Conference

BK1704071395 Hanoi VNA in English 0634 GMT 17 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 17—Prime Minister Vo Van Kiet yesterday presided over a conference here to review the implementation of the programme on clean water and environemental sanitation in rural areas of the Red River delta and some northern central provinces.

The conference, co-sponsored by the National Steering Committee for the Programme on Clean Water and Environmental Sanitation in Rural Areas and the Government's Office, was attended by 150 delegates from about 20 ministries and branches, 13 chairmen and vice chairmen of the people's committees of the Red River delta and northern central provinces, and representatives of relevant international organizations.

Reports on results recorded in the implementation of the programme were presented at the conference, bringing out the achievments and difficulties of the issue.

Taking the floor, Mr. Kiet expressed his satisfaction at the achievement that almost all inhabitants in target provinces have had access to clean water and latrines, and stressed that the quality of clean water and environmental sanitation needs to be improved. As Soc Trang Province, Quynh Phu District in Thai Binh Province and Nghia Hung District in Ha Nam Ninh Province are reported to have obtained good results with clean water, he said, they should share experience with other localities. He urged concerned ministries and branches to exert more efforts and apply stricter measures to carry well the programme while authorities at the grassroots level have to right in 1995 start working plans to implement their pledges to the government on clean water and environmental hygiene.

President Meets Representatives of Ly Family

BK1504162695 Hanoi VNA in English 1227 GMT 15 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 15—Representatives of the Ly family, descendants of Vietnamese Prince Ly Long Tuong, in the Republic of Korea, now on a visit to Vietnam, called on President Le Duc Anh yesterday.

Prince Ly, the second son of King Ly Anh Tong of Vietnam, left the country and settled down in Korea more than 760 years ago.

The Koreans of Vietnamese origin is headed by Mr. Lee Chang Can, a 31st descendant of King Ly Thai To (1009-1028), thanked President Anh for his reception and expressed profound sentiments of the Ly (Lee) family in South Korea towards the Vietnamese motherland.

President Anh spoke highly to the Ly family's sentiments towards the nativeland and wished them further success in the consolidation and development of the Korea-Vietnam friendship and cooperation.

Also yesterday a a traditional festival marking the 985th anniversary of King Ly Thai To's crowing ceremony began at the Ly temple in Dinh Bang commune, Tien Son District, Ha Bac Province. Some 30,000 participants, including 120 delegations of Ly descendants from 14 provinces in the country and a 48-member delegation of the Ly family in South Korea took part in the event.

King Ly Thai To decided to move the royal capital of Hoa Lu (now Ha Nam Ninh Province) to Thang Long (now Hanoi) in 1010.

Mr. Lee Chang Can, on behalf of the Ly descendants offered joss - stick to the ancestors' altar.

The festival will end on April 17.

National Assembly Issues Communique No. 14

BK1404155195 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Apr 95

[Communique No. 14 of the Office of the National Assembly issued in Hanoi on 14 April—read by announcer]

[FBIS Translated Text] Today, under the direction of National Assembly Chairman Nong Duc Manh, the National Assembly worked at the conference hall in the morning. The National Assembly continued to discuss the situation regarding the implementation of the 1994-95 tasks, the state budget, and the enforcement of the law on land.

Ten deputies expressed their views: Le Khac Binh from Ho Chi Minh city, Trieu Thi Nai from Ha Giang, Lo Thi Luyen from Son La, Lai Kim Nhi from Nam Ha, Nguyen Duc Hoan from Quang Tri, Dinh Trung from Binh Thuan, Trang A Pao from Lao Cai, Nguyen Viet Dung from Ha Bac, Nguyen Thi Hong Minh from Minh Hai, and Le Ngoc Toan from Thanh Hoa.

Their views centered on various issues such as the zoning of and use of land, the recent release of a guidance for the enforcement of the law on land, the educational and training policy and responsibility of various echelons and sectors, the plan for and the pace of economic reform, investments in infrastructure development, the question of economic organizations achieving cooperation and entering in joint ventures with foreign countries, the policy toward grass-roots cadres, and mangement over export-import activities.

The National Assembly also heard Minister of Justice Nguyen Dinh Loc who, on behalf of the law-drafting committee, the Legal Committee, and the Meeting Secretariat, presented some additional issues relating to the draft civil code.

In the afternoon, the deputies gave their views on the draft civil code and the draft law on state enterprises.

Tomorrow, the National Assembly will work at the conference hall.

Planning, Quality Control at Enterprises Urged

BK1604130195 Hanoi VIETNAM INVESTMENT REVIEW in English 27 Mar-2 Apr 95 p 7

[Report by Le Vinh]

[FBIS Transcribed Text] State Planning Committee (SPC) Chairman Do Quoc Sam last week took aim at the slow progress of state enterprise reform in Vietnam saying that while the Government has been closing down failing state enterprises since 1991 hundreds of new ones have arisen without regard to planning or quality control.

The SPC, noting an excess of state enterprises, last week told the standing committee of the National Assembly that state enterprise performance so far is "unacceptable" and quality checks on newly formed state firms were now essential.

While state enterprises may initially appear sound, weaknesses can be exposed as the firms lose State pricing support, face changes in financial policy for which they are unprepared, and simply stand in contrast to stronger foreign enterprises, the SPC report said.

Sam said state enterprise reform—which will be in the "experimental" phase until the Government completes full legislation—has been carried out too quickly and with "too many difficulties."

Sam also admitted that policy makers did not always agree on how to proceed with State reform. "There are many different opinions that make it difficult to resolve problems," he said. Sam said the State budget was "imbalanced" in its spending on different industries.

The results of this "experimental phase" of state enterprise reform since 1991 have fuelled the push for reform as the bill heads into the National Assembly for ratification next week.

By the first months of 1995, only 6,600 enterprises were recognized as operational—including restructured and newly formed firms—down from 12,000 in 1991. Of these, 2,050 enterprises are under direct control of the central government, and the rest belong to provincial or district authorities. Two thousand firms were completely liquidated.

In the SPC report last week, Do Quoc Sam said that reorganization was the motive force for growth in production capacity and product quality in many reformed enterprises.

Sam did point out some success stories. The Tan Mai Paper Mill in Dong Nai province, which once had a reputation for poor quality and low productivity, increased out put by 338.8 percent from 1985 to 1994.

Hoang Thach Cement Factory in Hai Hung province also claimed a climb of 294.5 percent over the same period.

Ha Bac Fertilizer Plant and Ha Tien Cement Factory topped Sam's list of success stories 686.6 and 475.2 per cent increases respectively.

Technological renovation is recognized as a key factor in state enterprise growth—and in the dominance of State firms in Vietnam's economy—Sam said.

GDP growth of the State sector in 1994 was 11.6 percent, compared to 6.1 percent rate of the non-State sector. About 61.7 percent of State revenue came from state enterprises, and revenue has increased by 63.4 percent in each of the past three years.

In 1990, over 50 percent of state enterprises suffered losses, 17 but to just eight percent lost money in 1994.

While State subsidies have been cut short, economic renovation has permitted wider independent expansion of state enterprises, and profits have grown, the report said. The average monthly income of State employees has risen considerably as well.

Holding 80 percent of fixed assets in all industries, 60 percent of forest areas, 83 percent of industrial plant cultivation area, and 100 percent of large mineral mines, revenue from state enterprises to the national budget was just 61.7 percent last year, which Sam termed "unacceptable".

Sam said all that a foreign enterprises in Hanoi or Ho Chi Minh City had to do to contribute more to the State budget than most state enterprises was lease land (US$5.8 per square meter per year). [sentence as published]

Eight percent of state enterprises are still running at a loss; 15 percent are not profitable. Most state enterprises, including those which claim success, have not earned enough to reinvest for business expansion.

Sam also said that technology in the state enterprises is mostly outdated, while their capital was not great enough to import new technology. He said that 95 percent of state enterprises were confronting this challenge .

"On the average, each enterprise has only [Vietnamese dong] VND1.5 billion (US$130,000) capital, while a simple garment manufacturing line at 500,000 products a year costs VND5 billion," he said.

Sam said the lack of appropriate legal documents and misunderstanding of Government policy to expand the sovereignty of the enterprises has been a problem for state enterprises.

"Provincial and district authorities either neglect State management or intervene too much in the operation of the enterprises," he said.

One effort at reform has been the selling of stock, or "equitisation". So far, only three small companies have finished their equitisation; the Refrigeration Engineering Enterprise (Ho Chi Minh City), Hiep An Footwear Factory (Ministry of Light Industry), and the United Transportation Company (Ministry of Transportation). Two companies are issuing stocks and five others have yet to complete their equitising plans.

The Government is also attempting to reorganize enterprises within single industries into conglomerates. But Sam said these groups so far have only become intermediate management level organizations standing between the Government and the enterprises—an arrangement that complicates actual business enterprises.

Furthermore, he said, "State management and business management staff are yet to be trained for the new jobs."

State of Agricultural Development Reviewed

BK1604090795 Hanoi VNA in English 0606 GMT 16 Apr 95

[FBIS Transcribed Text] Hanoi VNA April 16—In the '40s, Vietnam had emerged as the third largest rice exporter in the world after Myanmar [Burma] and Thailand.

Its biggest rice producing area the Mekong River delta, exported between 1.2-1.4 million tonnes annually. This represented as much as 90 per cent of the total exported rice output of the whole three Indochinese countries at that time.

However, during the war time which spanned over 30 years, Vietnam was experiencing the destruction of war which wasted more than one million hectares and while almost all industrial crops and fruit trees were uprooted by bombings or killed by toxic chemicals, and thousands of irrigation projects devastated as well.

Right after the complete liberation, the government laid down the policy of economic restoration and development with an emphasis on agricultural production. As a result, the rice output of the south rose from five million tonnes in 1975 (the year of liberation) to 13.8 million tonnes in 1993 and 15 million tonnes last year. In the Mekong River delta alone, rice production jumped from four million tonnes in 1975 to 10 million tonnes in 1990 and 13 million tonnes last year.

Besides rice production which marked the most prominent success Vietnam has gained since liberation,the industrial plants and fruit trees cultivation have fast developed and become crops of high export earnings.

In rubber growing, the rubber area in the southern part has expanded to 250,000 ha from 50,000 ha in the liberated year. This includes 190,000 ha of rubber trees which are now ready to harvest. In 1995, it is expected that about 100,000 tonnes of dry latex will be extracted from these trees.

Meanwhile, in the central highlands and the south-eastern part of the south, coffee cultivation has also registered fast development with an area totalling 140,000 ha and the total yield of over 160,000 tonnes of coffee beans. In the 1990-94 period, the coffee output for export stood at 600,000 tones worth of 650 million USD [U.S. dollars]. High output is also seen in other industrial crops like sugar cane, cashew nuts, pepper, soyabeans. Southern provinces alone yield more than 3.5 million tonnes of sugar cane, 32,000 tonnes of soyabean, 80,000 tonnes of ground nuts, 6,000 tonnes of pepper.

These achievements are mainly attributed to the Vietnamese Government's sound policy in economic restoration and development. Especially the renovation in agricultural production management policy with farmer household as independent units, allocating long-term land use rights to farmers. This has encouraged tens of millions of farmers to work harder, and invest in intensive farming. On the other hand, farmers in southern provinces have also made efforts in reclaiming land, expanding cultivated land, increasing crops, and applying advanced techniques in production. Rice acreage of southern provinces made up nearly 4 million hectares out of the country's total acreage of 6.5 million hectares in 1994. In addition to the two traditional crops of autumn rice and summer- autumn rice, the provinces now have a winter-spring crop, which was introduced after the liberation in 1975 and has become the main production crop with 1.2 million hectares and an output of over 5 million tonnes of rice in the 1994-1995 crop. This is the results of the construction of a systems of canals stretching 7,000 km.

Considerable achievements have also been seen in land reclamation in southern provinces. The Plain of Reeds alone has reclaimed 120,000 ha for rice cultivation with the output of more than 2.2 million tonnes.

Eight of the 11 Mekong delta provinces have an annual output of more than 1 million tonnes of rice. An Giang Province takes the lead with more than 2 million tonnes in 1994, which was followed by Can Tho, 1.7 million tonnes, Dong Thap, 1.6 million tonnes, Kien Giang, Minh Hai, Tien Giang, Soc Trang, more than 1.2 million tonnes.

Vietnam's population is predicted to increase to 80 million in 2000, and food output is expected to reach 38-40 million tonnes, a great part of which will be produced by southern provinces, especially Mekong delta provinces. According to the master plan of the Mekong delta region, an investment capital of USD 750 million will be needed, including USD 400 million for irrigation construction. The World Bank will provide the loan.

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